

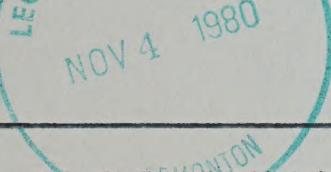
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IN THE MATTER OF The Public Inquiries Act, being Chapter 258 of The Revised Statutes of Alberta, 1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission into the matters set out in Order-in-Council 861/67 respecting the use or attempted use by Edgar W. Hinman of his office as a member of the Executive Council of Alberta.



HERALDV

PROCEEDINGS BEFORE
THE HONOURABLE MR. JUSTICE
W. J. C. KIRBY

C. W. Clement, Esq., Q.C., Commission Counsel
S. A. Friedman, Esq., Q.C., Departments of Government
G. H. Steer, Esq., Q.C., Mr. J. Superstein
D. H. Bowen, Esq., Q.C., Liberal Association of Alberta
J. D. Hill, Esq., Progressive Conservative Party of Alberta

W. ALAN SHORT, ESQ.
Clerk to the Commission.

VOLUME No. 52

DATE May 29, 1968
(Pages 5664 - 5788)

Supreme Court Reporters
EDMONTON, ALBERTA

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Chapter 258 of The Revised Statutes of Alberta,
1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission
into the matters set out in Order-in-Council
861/67 respecting the use or attempted use by
Edgar W. Hinman of his office as a member of
the Executive Council of Alberta.

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THE HONOURABLE MR. JUSTICE
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VOLUME No. 52

DATE May 29, 1968
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Supreme Court Reporters
EDMONTON, ALBERTA

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W. B. Tanner - Clement Re.

PROCEEDINGS before the Honourable
Mr. Justice W. J. C. Kirby, this
29th day of May, A.D. 1968, at
9:00 a.m., in the morning, at
the Court House, the city of
Edmonton, Alberta

EXHIBITS

VOLUME 52

MR. CLIMENT:

You will recall at the

May 29, 1968

adjournment you were about to start on a new topic

with Mr. Tanner. You mentioned the fact that it was a
new topic and that you would like to give the opened counsel an opportunity

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THE CHANCELLOR: Mr. Superstein?

MR. SUPERSTEIN: No sir.

THE CHANCELLOR: Mr. Friedman?

MR. FRIEDMAN: No sir.

THE CHANCELLOR: Mr. Hinman?

MR. HINMAN: No sir.

Q. MR. CLIMENT: Now Mr. Tanner, may we turn to the
matter of the Superstein Hotel and the Edmonton Airport Hotel
Company Limited. At what stage of the matter did you become
engaged in any way in this project?

A. First, the stage of construction or --

Q. The whole contract?

A. Mr. Superstein informed me that he was going to build a hotel
at the airport and asked if I would like to look after --
engaged me to do this after the construction of it. At this

1-P-1

W. E. Tanner - Clement Ex.

PROCEEDINGS before the Honourable
 Mr. Justice W. J. C. Kirby, this
 29th day of May, A. D. 1968, at
 9:00 o'clock in the morning, at
 the Court House, in the City of
 Edmonton, Province of Alberta

MR. CLEMENT:

Sir, you will recall at the

adjournment yesterday I was about to start on a new topic
 with Mr. Tanner. I had overlooked the fact that it was a
 new topic and before a new topic is opened counsel is given
 an opportunity of examining on the one just finished.

THE COMMISSIONER:

Mr. Hill?

MR. HILL:

I have no questions, sir.

THE COMMISSIONER:

Mr. Steer?

MR. STEER:

No sir.

THE COMMISSIONER:

Mr. Friedman?

MR. FRIEDMAN:

No sir.

THE COMMISSIONER:

Mr. Bowen?

MR. BOWEN:

No sir.

Q MR. CLEMENT:

Now Mr. Tanner, may we turn to the
 matter of the Airport Hotel and the Edmonton Airport Hotel
 Company Limited. At what stage of the matter did you become
 engaged in any way in that project?

A First, the stages of construction or --

Q The whole concept?

A Mr. Superstein informed me that he was going to build a hotel
 at the airport and asked if I would like to look after --
 engaged me to look after the construction of it. At this

1-P-2

W. E. Tanner - Clement Ex.

A (Cont.) time the --

Q Did you have some familiarity with construction because of your interest in the apartment --

A Yes sir.

Q -- you spoke of?

A Yes sir, and at that time, pretty well the arrangements for the Liquor Control Board had arranged for the licensing as far as they can go.

Q You mean to say that assuming the hotel was built according to the plans shown to them and so on?

A Yes sir, as far as they could go.

Q That they would be prepared to grant a liquor license?

A Yes sir.

Q I take it from what you said Mr. Tanner you were something in the nature of a job supervisor. You didn't attempt to direct the way the work was to be done but you were sort of a clerk of the works or something of that sort?

A I did it on a subtrade basis as a general superintendent would build it under subtrade, subcontracts.

Q It wasn't a general contract?

A No sir.

Q All right, go ahead?

A When I started, the basic work of the hotel had been completed and we were just about ready to start the construction of the hotel at that time.

Q And it was around that time you in effect went on the payroll for Mr. Superstein?

1-P-3

W. E. Tanner - Clement Ex.

A I was on an agreed supervision price.

Q Very well, then, what did you do in the course of your duties? In that engagement?

A I obtained the various subtrade prices for the construction of the hotel and had something to do -- had work to do with the arranging of financing to a certain extent.

Q Now, let's come to that, what did you have to do in connection with the financing?

A They had a commitment letter from Credit Foncier for mortgage although the mortgage had not been placed on the property, the letter of commitment from them. I arranged with Mr. Superstein to visit Credit Foncier and make further detailed arrangements.

Q Yes, did you have anything to do with the deal that the Trebeurden Realty Company, I think that is its name, should get sixty thousand shares of Edmonton Airport as an equity bonus?

A That is right. I did not have anything to do with the original deal but I understand -- I was given to understand that they were to receive some shares of the company for bonus.

Q Were you in on the negotiations or discussions of that between principals?

A Not the original sir but I was with Mr. Lyle where it was discussed.

Q And what was that discussion?

A That Trebeurden Real Estate was to receive ten percent of

1-P-4

W. E. Tanner - Clement Ex.

A (Cont.) the shares as bonus for the mortgage.

Q That was merely information he was giving you?

A Yes. Mr. Lyle was the manager of Credit Foncier.

Q Yes, I know he was manager of Credit Foncier but, it wasn't a matter of negotiation or discussion, it was just information he gave you?

A This was part of the arrangements that had to be made before the mortgage was actually placed.

Q And it was left to you to some extent to arrange the paper work and so on?

A Yes sir.

Q And you did that?

A Yes sir.

Q Were you present at any other discussions with any other persons relating to the allocation of shares of Edmonton Airport?

A Yes with Mr. Superstein and some discussion with Mr. Prowse.

Q Well, give us those in detail then please, chronologically then?

A It is difficult to -- it is quite a while ago but, I will do the best I can.

Q Well, as best you can?

A As original showed I was informed that there was three hundred thousand shares in the company, there was an order given to increase it to three hundred or, there was a misunderstanding whether it was increased to three hundred or four hundred but it actually ended up that the capital of

1-P-5

W. E. Tanner - Clement Ex.

A (Cont.) the company was increased to four hundred thousand and there was a little bit of discussion as to the total number of shares. However, to make it a little short, there were finally issued to Mr. --

Q Just let's clear it up as we go along. There was an increase of capital where according to original instructions or not, ended up as a capitalization of four hundred thousand shares?

A Yes sir.

Q Who did the work for Edmonton Airport in that connection?

A I don't know sir, it was done before I had to do with it.

Q I see, so, we are at a point where the capital is four hundred thousand shares?

A Yes sir.

Q Carry on?

A I had to do with the issuing of the shares, I issued the shares to Trebeurden Real Estate and the rest of the shares--

Q What do you mean you issued them, you gave instructions for the paper work?

A No, I issued them myself, I typed them out and had them issued.

Q Normally there is some directors resolution?

A Well, I actually did the work but there was a direction from Mr. Superstein.

Q What was his direction to you?

A To issue these shares to Mr. Lyle in the name of Trebeurden Real Estate.

1-P-6

W. E. Tanner - Clement Ex.

Q Did you issue the original allotment of thirty thousand?

A Yes sir.

Q Well then, was it before that, nevertheless, that the capital had been increased to four hundred thousand?

A Yes sir, this is where the mistake was made as to the capitalization of the company. It was sort of understood that it was three hundred thousand, therefore the thirty thousand shares had been the ten percent and actually it was increased by three hundred thousand which made a total capitalization of four hundred thousand so Trebeurden Real Estate by getting thirty did not actually have ten percent of the company.

Q Yes, and this was found out?

A Yes and they were issued at a later date.

Q Yes, well in fact, as I recall the corporate papers Mr. Tanner, there was an allotment of ten thousand shares to make it up to the ten percent?

A There was further shares issued because of a subsequent deal with --

Q I am just taking this chronologically, I think after the original thirty thousand, there was another allotment of ten?

A Yes sir.

Q Which brought it up to the ten percent of four hundred?

A Yes sir.

Q And then there was a further allotment of twenty, being a five percent addition, over which there has been no little

1-P-7

W. E. Tanner - Clement Ex.

Q (Cont.) lawsuit developed?

A Yes.

Q Well, we won't retry that. Now, in the course then of all these dealings with shares, you received instructions from Mr. Superstein and perhaps had discussions with solicitors, did you, as to this?

A Yes sir.

Q In the whole of this, was there any mention made at any time and in any way about shares for Mr. Arthur Arnold?

A No sir, not to my knowledge.

Q You never heard of any?

A There were discussions at various times with Mr. Superstein as to maybe the sale of shares but it was not to my knowledge.

Q Well, I want to know what you heard?

A No sir.

Q You heard nothing from Mr. Superstein in particular about any shares being available for Arthur Arnold?

A There was discussion of sale but I wouldn't say available sir, what do you mean?

Q Just available, he could buy some if he wanted to or was he to be given some if he asked for them or anything of that nature?

A Well I was never at a meeting with him when this was discussed.

Q Was there anything said to you by Mr. Superstein along those lines?

A I can't recall of any definite time when he said this to me. He did instruct me to make shares out in certain denominations

1-P-8

W. E. Tanner - Clement Ex.

A (Cont.) as his shares in his name.

Q Whose shares in whose name?

A Mr. Superstein. The shares were made out in his name in certain denominations.

Q And what denominations?

A I can't remember that sir.

Q Would it be something in the order of blocks of forty thousand?

A I couldn't remember that sir, I would have to look at the --

Q In any event, it wasn't one certificate for all, it was various blocks?

A Yes sir.

Q Very well, and that was done?

A Yes sir.

Q Did you ever hear from Arthur Arnold that he could get some shares in Edmonton Airport if he wanted to?

A No sir.

Q Then let us direct your attention to Mr. Hinman, did Mr. Superstein ever mention to you in any way that Mr. Hinman might become a shareholder?

A Not that I can remember sir, not in my presence.

Q Did you ever have any discussion with Mr. Hinman about any of the Edmonton Airport affairs?

A Yes sir, briefly.

Q What discussion was that?

A Just in general conversation. I remember going out with

1-P-9

W. E. Tanner - Clement Ex.

A (Cont.) him a time or two and viewing it but nothing definite.

Q Was there any discussion of the affairs of Edmonton Airport during those times that you went out with him?

A In what respect, sir?

Q Well, the financing of it, how it was getting along?

A I didn't go into detail with him, sir.

Q I didn't ask you about detail?

A Generally speaking he had discussed it in general basis but never in detail or never that concerned but he was interested because we had been associated in the work I was doing and the association with Mr. Superstein in a general way but I didn't go into details with him.

Q I see, you had been in the past, I understand, to some extent, a protege of his?

A That would be his interpretation sir.

1-B-1

W. E. Tanner - Clement Ex.

Q I am using it in a commendable sense, Mr. Tanner.

In any event, let's proceed with your activities as far as the financing is concerned. You did what was necessary in order to complete the borrowing from Credit Foncier on security?

A Yes sir.

Q Did you have any part in arranging the interim financing?

A Yes sir, I did.

Q That was arranged with the Treasury Branch, was it?

A Yes sir.

Q And with the main office?

A No sir, it was arranged at the Branch on the Macleod Trail.

Q In the first instance?

A Yes sir.

Q Did you negotiate the line of credit originally?

A Yes sir.

Q I had understood that, from other evidence, that the negotiations for the line of credit had originally taken place at the head office here in Edmonton?

A Not to my knowledge, sir. The application was made through the Riviera Branch, I think they call it, and all the applications that I ever made and the arrangements were made through that Branch.

Q I see, and you were the only one that made the application then on behalf of the company, is that correct?

A I don't know whether Mr. Superstein was there on the original application but -

1-B-2

W. E. Tanner - Clement Ex.

Q No, what I am getting at is, was the first approach at all to Treasury Branch for interim financing made by you?

A I couldn't answer that, sir, except as far as I know, it could have been discussed with Mr. Superstein at one time, with somebody else.

Q I see. Well, when you went to the Riviera Branch on the Calgary Trail you were going there as a new applicant for a new line of credit, were you?

A Yes sir.

Q And was it treated that way so far as you know?

A As far as I know, sir.

Q Yes. Now, what happened in connection with that application, you filled out the, you might say the questionnaire of the application?

A That's right, sir.

Q And then what happened?

A In due course I was informed that the application had been approved as applied.

Q Yes, was there any documentation required then?

A Yes sir.

Q What?

A The assignment of the proceeds of the mortgage from Credit Foncier and the personal guarantee of major shareholders, that of Mr. and Mrs. Superstein.

Q Yes, any other security that you can recall?

A I don't think so, sir.

Q At that time, by that time everything had been, as far as

1-B-3

W. E. Tanner - Clement Ex.

Q (Cont.) the company was concerned, had been gathered into the security of Credit Foncier, I take it?

A Yes sir.

Q And Delta Acceptance too, I gather?

A No sir, they were not in it at that point.

Q Did Delta come after?

A Yes sir.

Q I see. Then the line of credit was granted and that was for \$100,000.00 in the first instance?

A Yes sir.

Q Now, Mr. Tanner, you have said that so far as you know you originated the application and carried it through to completion?

A Yes sir.

Q Did the name of Mr. Hinman arise at any time during those negotiations?

A No sir, never.

Q Did you speak to him?

A No sir.

Q So that you could not have asked him to intervene?

A No sir.

Q And so far as you know did he or did he not intervene?

A As far as I know he never did.

Q There was some evidence that the line of credit was increased at a subsequent stage?

A Yes sir, we had at that point \$250,000.00 of funds coming from the proceeds of the mortgage. The way the arrangements

1-B-4

W. E. Tanner - Clement Ex.

A (Cont.) at the Treasury Branch were made were that we could go up to \$100,000.00 and then get an advance. We did this twice.

Q Wait a minute, you would use the full amount of your interim financing of \$100,000.00?

A Yes sir.

Q And then get an advance from Credit Foncier, do you mean?

A Yes sir.

Q Which would then go to Credit Foncier and that would be a hundred thousand advance from Credit Foncier so that would bring your account with the Treasury Branch level again?

A Yes sir.

Q I see.

A We did this the second time and on the third time we had \$50,000.00 coming, so the credit was reduced to \$50,000.00.

Q And that arises as I recall it, Mr. Tanner, through this, that the first draw-down was in the order of about \$50,000.00 in order to clear the title?

A Yes sir.

Q Is that correct?

A Yes sir.

Q So that left for disbursement then -

A Two hundred and fifty thousand.

Q - two hundred and fifty thousand so that your last draw-down then was fifty thousand?

A Yes sir, so that our credit was reduced at that point to the amount of the proceeds of the mortgage, so that it was

1-B-5

W. E. Tanner - Clement Ex.

A (Cont.) reduced on the third time down to \$50,000.00.

Q Yes, your line of credit was contracted then to that point?

A Yes sir.

Q Yes, and what happened?

A Near the end of construction they found the cost of the hotel was higher than anticipated, and a discussion between Mr. Lyle and Mr. Superstein and myself in which he agreed to increase the amount of mortgage by \$50,000.00. I attended the Treasury Branch with the manager, Mr. Tate, to see if they could, if we could get a further line of credit after we had used up our two hundred and fifty, and in my presence he phoned Mr. Lyle and Mr. Lyle confirmed this, and a further \$50,000.00 line of credit was approved on these bases.

Q I see, so that what was the end result of that as far as Treasury Branch was concerned, we know that the additional \$50,000.00 of mortgage money did not materialize?

A Yes sir, and what happened, sir, was the credit was used up to about, as I remember, \$40,000.00 at the time difficulties arose that Credit Foncier were not going ahead with the increase, and so, and therefore the line of credit was -

Q Stopped?

A Was stopped at that point.

Q So that left the Treasury Branch a creditor to the extent of roughly \$40,000.00?

A Yes sir.

Q And that is where it stood for a while?

A As far as I know.

1-B-6

W. E. Tanner - Clement Ex.
- Hill Ex.

Q Is that where it stood the last time you had anything to do with it?

A Yes sir.

Q I see.

A They still had the personal guarantees, though, Mr. and Mrs. Superstein.

Q You don't know how it finally washed out?

A No sir, I do not.

Q And in any of this negotiation for a variation in the line of credit did the name of Hinman occur at any time?

A Never, sir.

Q And have you any thought that Mr. Hinman may have intervened at any stage in this?

A No sir.

Q There was nothing in it that caused you to think that might happen?

A No sir.

Q I think those are all the questions I have, sir.

THE COMMISSIONER: Mr. Hill?

MR. HILL EXAMINES THE WITNESS:

Q Mr. Tanner, isn't it a fact that the biggest single problem that you faced in the construction of this hotel was the financing?

A No sir.

Q It is not?

A No sir.

Q Well, you started off, you had one estimate for the cost of

1-B-7

W. E. Tanner - Hill Ex.

Q (Cont.) the hotel and it wound up costing you a lot more than you originally anticipated?

A I didn't say that, sir.

Q Wasn't that a fact?

A No sir.

Q Well, perhaps I misunderstood your evidence. I understood you to say that the cost of the hotel or the final estimate for the cost of the hotel was considerably more than what had been originally estimated?

A Say that again?

Q The final estimate for the cost to complete the hotel was more than what the people involved in the hotel had originally anticipated?

A At this point we were, we did not have a complete cost of the hotel, it was done on a subtrade basis, but it cost more, there were things added on as they went through and therefore the cost of the hotel, for instance air conditioning was added on at a later stage and therefore naturally it would cost more, which was not in the original plans. These items I am referring to.

Q And did not the actual construction costs actually amount to more than what you originally figured?

A I don't think so.

Q I understood you to say that?

A I said the cost of the hotel, you weren't listening, the cost of the hotel ended up more than we originally anticipated.

Q Well, that is exactly what I said.

1-B-8

W. E. Tanner - Hill Ex.

A But because of added more than the cost themselves.

Q I see, things that had to be added to the hotel?

A Didn't have to be, there was a change to air conditioning, like I mentioned, these kind of items, they were added at a later stage.

Q I see, and because of the addition of these new things then new arrangements had to be made for additional financing?

A That's right.

Q So it is really fair to say that one of the biggest problems that the people faced who were organizing this project and promoting the thing was the arranging of the financing?

A You can say it, I wouldn't.

Q Well, that is a pretty big project, isn't it?

A Yes sir.

Q It required a lot of money?

A Yes.

Q And it required interim financing?

A Yes.

Q Now, were you aware of the fact that Mr. Hinman made a special trip from Ottawa to Montreal to see the top people of Credit Foncier in Montreal about seeing if they could get some additional, some additional advance on the mortgage?

A I am not, maybe you might be but I am not.

Q Had you ever heard about that?

A No.

Q But you were the one that was primarily involved?

A That's right.

1-B-9

W. E. Tanner - Hill Ex.

Q In this financing?

A That's right.

Q You had discussions with Mr. Hinman about it?

A To my knowledge he did not go down to arrange any mortgage at all, according to any instructions.

Q It seems rather strange that when you were as closely involved with the financing and Mr. Hinman made a special trip to Montreal -

A This was not during construction, this was after, a way after, you are confusing your dates. If you will check the dates.

Q Well, I am talking about the period from the time you started construction or started arranging the financing until the thing was completed?

A If you are referring to construction this did not happen during construction. In what phase?

Q I did not specifically refer to the construction.

A You will have to, for me to answer your question you have to refer exactly.

Q All right, let's go back here now: were you aware of the fact that Mr. Hinman had made this special trip?

A At what time?

Q I just can't tell you the date right now.

A This did not happen during construction.

Q Well, do you know whether or not he made a trip to Montreal at any time in connection with the hotel?

A I was told he had tried to arrange it at a later date, long after the construction, and my association with the hotel

1-B-10

W. E. Tanner - Hill Ex.

A (Cont.) had ceased, it was hearsay as far as I am concerned. I did not know of it.

Q It was essential if at all possible that you try to get as much additional funds from Credit Foncier as possible?

A This was not done, this was a year after construction had been completed, after I had nothing to do with the hotel.

Q All right, I am not cutting it down to any specific period.

A All right, during the time he did not go down.

Q All right, now let's go back to the interim financing for a moment: you were the one who was primarily responsible for arranging the financing with the Treasury Branch, is that correct?

A As far as I know, yes.

Q And you were the one that submitted the original application?

A Yes.

Q Now, there must have been a lot of negotiation involved in this?

A Well, you just don't walk in and get it, it took some paper work, yes.

Q And I imagine a lot of time as well?

A In what, what are you referring to in time, days, weeks, months or hours?

Q Well, you just don't sit down and have one meeting with the bank manager, you go back and there is discussion, and you discuss it with Credit Foncier?

A That's right.

Q You discuss it with the other shareholders?

1-B-11

W. E. Tanner - Hill Ex.

A You have to have the assignments in, the assignments given and the assignments accepted, and the personal guarantees, it did take considerable work, yes, and it is natural work.

Q But you were the one that was primarily responsible for this?

A Yes.

Q And you had had a number of discussions with Mr. Hinman about that hotel?

A Not at this point.

Q Well, at what point did you have your discussions with him?

A I didn't have a number, like I mentioned, I said a moment ago, that after construction went along I did visit the hotel a time or two and general knowledge, but at this point there was no discussion with him on it.

Q Well, you knew that Mr. Hinman was quite interested in the progress of this hotel?

A But there was no progress at this time, it hadn't started.

Q Well, he was interested in the development of the hotel, is that a better way to put it?

A Well, I think in, merely as a passing venture, yes, I would say that he was, well, not deeply interested, but I think he was interested slightly, general knowledge and so is everybody else.

Q He was interested enough to make a special trip from Ottawa to Montreal, and back?

A About four years later, yes.

Q To assist in the financing?

1-B-12

W. E. Tanner - Hill Ex.

A Yes, after it was done.

Q Yes?

A But things had changed during that time.

MR. CLEMENT: I think in fairness to the witness, well,
I am sorry.

Q MR. HILL: I am not trying to pin you down to any
special time, I am talking about the project?

A As long as we understand what we are talking about.

Q Yes, and -

A That is what I want to make clear.

Q From the inception of the project until the thing was finally
completed, this is the period I am referring to. Now, did
Mr. Superstein have any dealings directly with the manager
of the Treasury Branch?

A He was present a time or two with me, yes.

Q Now, who were some of the other people who were involved in
the financing that had dealings with the bank manager?

A Nobody that I know of.

Q Just yourself and Mr. Superstein?

A Yes.

Q Well now, did the bank manager ask you who the principals
were involved in this hotel?

A Yes, he certainly did.

Q And did you, you told him Mr. Superstein and yourself?

A You are telling me what I said, I said the principals are
Mr. and Mrs. Superstein, and Trebeurden Real Estate are the
complete, the total number of the shareholders.

1-B-13

W. E. Tanner - Hill Ex.

Q Was there any discussion about whether there was likely to be any additional shareholders?

A No sir, not at that time.

Q Were you aware of what Mr. Hinman's position with the government was at that time?

A Yes sir.

Q And what was that?

A Provincial Treasurer.

Q I see, and you knew that the Provincial Treasurer had a responsibility in relation to the administration of the Treasury Branches?

A Yes sir.

Q And you were dealing directly with the Treasury Branch?

A Yes, we were.

Q I see, and it would have been very useful to use Mr. Hinman's name at that time, wouldn't it?

A I don't think so.

Q Well, you knew that he was an established businessman with established credit?

A I don't think it was necessary and we did not use him, and I felt no purpose in mentioning it.

Q Did you mention to the bank manager that Mr. Hinman was taking an interest in the project?

A No sir, it would have been a lie at that time because he wasn't taking an interest in it.

Q This was later on he took an interest?

A If there was interest shown it was much later, if there was

1-B-14

W. E. Tanner - Hill Ex.

A (Cont.) any interest shown.

Q Did you ever discuss with Mr. Hinman about how to go about arranging financing of any kind?

A No sir.

Q Did you never seek his advice in regard to that?

A No sir.

Q You knew from your past experience with him that he had a lot of experience in arranging financing?

A That's right.

Q Wouldn't that be the logical person to go to to ask for advice and to try to arrange bank loans or mortgage loans?

A It might have been but I didn't go.

Q Didn't it ever cross your mind?

A I can't say.

Q Mr. Tanner, Mr. Hinman had been advising you for a number of years on business matters hadn't he?

A We had been associated and I had talked with him but this was not my personal project, this was a different thing, I was working for somebody else, it was not my personal problem. If it had been my personal problem I might have discussed it in detail with him, as I have on many occasions on things to do with me personally, but this was a completely different thing.

Q Did you attend any meetings with Mr. Prowse and Mr. Hinman and Mr. Superstein?

A Some time later there was one meeting.

Q And do you remember the matter of the allocation of shares

1-B-15

W. E. Tanner - Hill Ex.

Q (Cont.) being discussed then?

A No sir.

Q Do you remember what was discussed?

A Yes sir.

Q What?

A It was private business.

Q Was it to do with the hotel?

A No sir.

Q And did Mr. Prowse discuss the matter of shares to Mr. Hinman?

A I couldn't say.

Q Well, do you remember what happened?

A Not during that meeting, not in my hearing.

Q Well, was there any discussing about shares at all at that meeting that you are referring to?

A Shares of what?

Q Well, obviously shares of Edmonton Airport Hotel?

A No sir.

Q Now, how many visits do you think you made to the hotel with Mr. Hinman?

A Two or three probably.

Q And how did these come about?

A We met quite regularly or, not regularly, but occasionally, and I had business there and he would drive down with me once or twice, but no specific, no definite arrangements were made or appointments or of any particular interest, just general interest.

1-B-16

W. E. Tanner - Hill Ex.

Q Now, Mr. Hinman was a busy man, you just don't walk down the highway and bump into him on the highway in front of the hotel?

A Well, as you said, we had been associated, I had been all my life with him, and naturally I didn't just drop in, bump into him; I was in contact with him quite regularly.

Q Well, he was of course already a business associate of Mr. Superstein?

A That's right.

Q Now, did you arrange these trips to the hotel with Mr. Hinman?

A No sir.

Q Well, did he say "Can I come along, I want to see the hotel?"

A No sir.

Q Well, how did it come about?

A I just told you, I had business there and we had various meetings and I asked him if he wanted to come down because I had to go down there, and this is the way it happened.

Q So that he was prepared to take time out of a very busy life to go down and look at the hotel?

A If you would like to put it that way.

Q Well, he was a busy man, wasn't me, you knew that?

A Yes, he was, and he worked hard.

Q Now, how many of these trips did you make?

A I just told you, two or three.

Q Might there have been more than two or three?

A I don't think so.

1-B-17

W. E. Tanner - Hill Ex.

Q Well now, what would happen when he would go to the hotel,
would you show him around the hotel?

A I would go about my business and sometimes I would show him
what was going on and sometimes he would just carry on on
his own looking around.

Q Now, what stage would this have been at, these visits?

A Oh, quite later in the construction part of it; I don't
know exactly what stage.

1-K-1

W. E. Tanner - Hill Ex.

Q Let's say towards the end or towards the, closer to the end of construction or the beginning?

A During construction, I wouldn't be able to pinpoint it.

Q And he took quite an interest in the construction of the hotel?

A You are telling me, did you say?

Q Well, did he or did he not?

A No more than general, general interest.

Q And did you discuss with him at the same time the financing of the hotel?

A I can't remember discussing it.

Q It certainly seems possible you would have, this was a thing that was of paramount importance in your mind at the time, wasn't it?

A No, it wasn't, when you say paramount and most important, financing doesn't build a hotel but it is part of the interest and part of the concern, but certainly not the only concern.

Q No, it's one of the biggest things, isn't it?

A It's a concern, certainly, if you have had anything to do with building, you realize this.

Q Would it be fair to say you probably discussed the matter of financing with Mr. Hinman?

A I can't remember of it, if you think it's fair, it's okay, it's all right, but I can't remember discussing it.

Q And did you see Mr. Arnold around the hotel out there?

A I had discussions with Mr. Arnold.

1-K-2

W. E. Tanner - Hill Ex.

Q And what was his relationship with the hotel?

A Mr. Arnold was assisting in the advising of the hotel, and I think evidence in other cases will show that he was paid for doing this, and I used his after-hour time to consult with him.

Q Did you know whether or not he was interested in getting some shares in the hotel?

A I couldn't say, sir.

Q Did he not discuss it with you?

A No, he didn't.

Q Or do you just not recall?

A You asked me a question and I said "No, I did not discuss it with him".

Q Now, you must have discussed with Mr. Superstein rather extensively the issuance of shares in this hotel?

A Not, he instructed me to issue them in these denominations and there wasn't, when you say extensive, no.

Q Well now, did Mr. Superstein indicate to you that he was going to hold some of his shares for either Mr. Arnold or Mr. Hinman?

A No, sir.

Q Was there any discussion along that line?

A No, sir.

Q This financing that was arranged with the Treasury Branch, did you arrange to gather all the collateral together that was used to back that loan?

1-K-3

W. E. Tanner - Hill Ex.

A Referring to what?

Q To the Treasury Branch.

A Referring to what collateral?

Q Well, whatever collateral was required by the bank.

A Most of it, yes.

Q You mentioned that Mr. and Mrs. Superstein gave a personal covenant on that?

A Yes.

Q I presume they put up a number of their properties as well?

A I don't know that.

Q Well, was there any collateral put up by anyone else apart from the Superstein's?

A Not to my knowledge, no.

Q Well, in other words, was that loan from the Treasury Branch based entirely on security offered just by the Superstein's?

A Yes, sir, and I have mentioned before, the assignment of the proceeds of the mortgage of Credit Foncier and the personal guarantee from these, from the shareholders of the hotel, Mr. and Mrs. Superstein.

Q Now, in addition to your dealings with the manager of the bank, I suppose that you would realize that this being a fair-sized loan, that the bank manager had to obtain authority from higher up before this loan could be approved?

A Yes, sir, it took about two weeks, if I remember correctly, some time before the loan was approved. It had to be submitted to head office, the manager told me this.

1-K-4

W. E. Tanner - Hill Ex.

Q Do you know who was involved at head office in approving the loan?

A Mr. Davies.

Q You are aware of the fact that there is actually a Board that examined the loan and the security and people involved and they make the final decision?

A That's what I hear, yes, I have never met them.

Q Did you have any dealings with Mr. Davies or these other people?

A No, sir.

Q Well, what I am wondering is did you deal with anybody else apart just from, apart from the bank manager himself?

A No, sir.

Q Do you know if the bank manager was aware of Mr. Hinman's interest in the hotel?

A I didn't know he had an interest.

Q I mean, when I say interest, I mean, I am using that in the sense we have discussed, that he was interested in the progress of the hotel?

A I think there were a lot of people interested in it, it was news in this, but, no, I think the, I don't think Mr. Tait knew about any interest other than Mr. and Mrs. Superstein's and Trebeurden Real Estate, which was told to him at that time.

Q I understand that towards the end of the time when you were dealing with Credit Foncier, that Credit Foncier sent out

1-K-5

W. E. Tanner - Hill Ex.
- Steer Ex.

Q (Cont.) some of their senior people from Montreal to meet with the people involved with the hotel to discuss the matter of additional advances, do you recall that?

A No, sir, I was not associated with the hotel after construction, after completion.

Q You had no knowledge of that at all?

A No, sir.

MR. HILL: Thank you, Mr. Tanner.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN: I have no questions, sir.

THE COMMISSIONER: Mr. Steer?

MR. STEER EXAMINES WITNESS:

Q Mr. Tanner, as I understand it you were employed by Mr. Superstein on behalf of this company to supervise the construction of the hotel from the beginning to the end, and you did that?

A Yes, sir.

Q That's right, and do I understand you to say that you were never in any discussions with Superstein whatsoever with regard to the possibility of you obtaining shares in that project?

A Did I, that I would --

Q That you would become a shareholder in Edmonton Airport Hotel Limited?

A Yes, I was at one time with Mr. Superstein, was given the opportunity to receive shares in lieu of my construction

1-K-6

W. E. Tanner - Steer Ex.

A (Cont.) costs, which I refrained from because I needed the money.

Q So you did have an understanding with him that you could become at least a shareholder to the extent of five percent?

A Yes, sir.

Q That's right, and did you know that whatever the understanding was, whether it was a commitment or simply an option, did you know that Mr. Arnold and Mr. Hinman were in the same position?

A I was never at a discussion with the, any time when this was discussed.

Q But you heard that?

A I heard that they could pick up some shares.

Q Very well. Now, in the course of your operation of that hotel, in the course of your supervision of the construction of the hotel, you handled all the money?

A Yes, sir.

Q And you issued all the cheques?

A Yes, sir.

Q Under a power that was given to you by the company?

A Yes, sir.

Q And those cheques would amount to something over half a million dollars or thereabouts?

A Roughly three hundred thousand.

Q Yes. I think that's all.

THE COMMISSIONER:

Mr. Friedman?

1-K-7

W. E. Tanner - Hinman Ex.

MR. FRIEDMAN:

No questions, sir.

THE COMMISSIONER:

Mr. Hinman?

MR. HINMAN EXAMINES THE WITNESS:

Q Mr. Tanner, when you started to work on the hotel had you any idea that you would have to arrange any financing of any kind?

A Not the original, no.

Q Had you any reason to suspect that financing would become a problem?

A Not at that time, sir.

Q Mr. Tanner, regarding this trip to Montreal, did you ever ask me or suggest to me that I talk to Credit Foncier at any time?

A No, sir.

Q Regarding this? It was mentioned earlier that I approached them for additional funds, did you ever hear that I approached them for any additional funds?

A No, sir.

Q Regarding my visits to the Airport Hotel, do you recall whether any of these were during the normal working day?

A No, sir, none of them were.

MR. HINMAN:

Thank you.

THE COMMISSIONER: Mr. Clement, I wonder if we could have clarification regarding this additional financing?

It is my understanding from the previous evidence that the additional financing negotiated with Credit Foncier,

1-K-8

W. E. Tanner - Clement Ex.

THE COMMISSIONER: (Cont.) \$50,000.00, was in the course of construction of the hotel, and I gathered from the evidence of Mr. Tanner that this additional financing was after the completion of the hotel. I am not clear on it and I wonder if you could have it clarified.

MR. CLEMENT EXAMINES WITNESS:

Q Yes, I wonder if you could explain to his Lordship, my own impression was that the construction hadn't been completed when this was required, but certainly, Mr. Tanner, could you tell us as closely as you can when this came up?

A I would say, sir, about 90 percent completion when we realized that they required more money, and this is when the approach was made to Mr. Lyle of Credit Foncier and this is when he committed the additional funds, and this went on up until after the completion of the hotel before we really realized that they were, Mr. Lyle was not going to give the money, and then further to my understanding, further approaches were made to head office in Montreal to obtain the money at a later stage and a more determined effort was made when the hotel was actually being in difficulty.

THE COMMISSIONER: I see, yes.

A The main effort was done later, it was merely an approach at the local level during construction, during the time of construction and it was more or less reneged.

MR. CLEMENT: As I understand the development of the matter, sir, my understanding of the previous testimony

1-K-9

W. E. Tanner - Clement Ex.

MR. CLEMENT: (Cont.) is this, that on whatever passed between Mr. Lyle and Mr. Tanner, that induced the Treasury Branch to grant an additional fifty thousand dollars line of credit or make available \$50,000.00 worth of credit. Mr. Lyle was not supported by his head office in that verbal commitment for an additional \$50,000.00 of mortgage money. The Treasury Branch got into the, was got into it to the extent of \$40,000.00 by reason of this development, and then Credit Foncier, having decided that they would not advance the additional \$50,000.00 unless Mr. Superstein put up an undetermined sum of equity money as well, that fell apart. The Treasury Branch was left holding the bag, and at that stage Mr. Hinman said that he took an interest in it on behalf of the Treasury Board because it was a delinquent account of the Treasury Branch and he was trying to see whether he could get some money.

THE COMMISSIONER: That is precisely what I wanted to have clarified because I wasn't clear on that. I see that now.

Q MR. CLEMENT: Now, if I could just ask you a question that I had overlooked, Mr. Tanner, Mr. Hinman in giving evidence at page 5276, 5275 and 5276, was speaking about a time that Mr. Superstein had gone to California leaving you pretty well in charge of the total operation, as I gather, construction was still under way, and you were at that moment of time running short of money, and the

1-K-10

W. E. Tanner - Clement Ex.

Q (Cont.) evidence of Mr. Hinman was that you came to Mr. Hinman to discuss this problem with him, and Mr. Hinman then phoned Superstein in California, and it is not clear what happened from then on. Do you recall that particular incident?

A Yes, this was after the hotel had been basically completed, in fact, all the money had been advanced from Credit Foncier and what we really needed was the ---

Q Had you reached the limit with Treasury Branch?

A Yes, we had, and what we really needed was the payments of interest to Credit Foncier and they were very unhappy with it, and this is what I needed money for. We did not have any more money to pay our interest on the mortgage is really what it amounted to.

Q They were requiring interest payments before ---

A No, at this time they had ---

Q They had fully advanced?

A Yes, sir, and they agreed to take interest for two years and this is, these were payments that we needed and they were quite upset because this is when we were just about ready for the, getting the advance, and Mr. Lyle mentioned that unless we keep these payments up, they won't have a chance of getting additional money, and we needed to pay the interest monthly payments, and this is really what I went to him about.

Q Why would you go to Mr. Hinman about that?

1-K-11

W. E. Tanner - Clement Ex.
J. Superstein - Clement Ex.

A Because I knew Mr. Hinman had Mr. Superstein's phone number and I was told by Mr. Superstein that if I really needed him, he could get the number.

Q Mr. Superstein hadn't left his phone number with you?

A No, sir, he was not feeling well and he didn't want to be disturbed. His office, his own office didn't have his number, I don't think.

Q Then what happened, you spoke, you told Mr. Hinman of the circumstances and then what happened?

A And I was not present during the phone call at that time, but he told me to go and see Mr. Lyle, this is another Mr. Lyle that worked for Mr. Superstein at Edmonton Produce, and he advanced some money from the Edmonton Produce to make these payments, the interest payments. It was two months, if I remember correctly, of interest payments due to Credit Foncier.

MR. CLEMENT: Thank you, Mr. Tanner.

THE COMMISSIONER: You may step down, Mr. Tanner.
(Witness steps down.)

MR. CLEMENT: I will call Mr. Superstein.

JAKE SUPERSTEIN, sworn, examined by Mr. Clement:

Q Mr. Superstein, you make your home in Edmonton?

A Yes.

Q How long have you lived here?

A Forty years.

Q From say 1952 onwards what have been your business interests?

1-K-12

J. Superstein - Clement Ex.

A '52 onwards ---- mainly the egg and poultry business and other enterprises.

Q Egg and poultry business under the name of Edmonton Produce?

A Edmonton Produce Company Limited.

Q And how widespread was the Edmonton Produce business, it had a plant in Edmonton, of course?

A Yes.

Q And where else did it carry on active operation?

A Well, all over Alberta, right across Canada.

Q Did it have a plant in Vancouver?

A Sometimes later, after, yes, sometimes after 1952.

Q Yes, I am just saying from 1952 onwards, Mr. Superstein.

A Right.

2-P-1

J. Superstein - Clement Ex.

Q Now, did it have some property in the south part of the Province?

A Not past Red Deer.

Q Not past Red Deer, I see. Then we have had a hint of many other interests and activities Mr. Superstein, what else did you engage in during those years? I take it you are interested in oil wells?

A Correct.

Q In the way of owner of oil wells or shareholder or both?

A Owner and shareholder.

Q What else?

A A little real estate.

Q Do you mean the holding of real estate or development of real estate?

A Mostly holding.

Q And some development?

A Very little.

Q I understand from Mr. Tanner that you did one or perhaps two apartment constructions?

A Just one.

Q Just one. And anything else?

A Drive-in theatre.

Q Pardon?

A Drive-in theatre.

Q I see. In other words, you were fairly active and wide-spread in business?

2-P-2

J. Superstein - Clement Ex.

A That is right.

Q You knew Mr. Hanen of Calgary or Hanen, however you pronounce it?

A I knew of him but I hadn't met him.

Q When did you first meet him and under what circumstances, in a business way, that is all I am concerned about?

A Around 1959 I would think.

Q In connection with what?

A I just don't remember exactly in what connection.

Q I see, you do have a recollection of him in some business affairs though do you not?

A Yes.

Q What is that?

A Well, he came to my office here at the Edmonton Produce once and discussed some of his investments and Farmers & Merchants. That was my first acquaintance with him.

MR. STEER: Speak up a little louder please,
the Reporter can't hear.

Q MR. CLEMENT: That was about 1959 was it --

A Approximately.

Q Mr. Superstein. And at that time he had acquired an interest in Farmers & Merchants Trust Company in association with Mr. Marks, as I recall the evidence. Is there anything in particular he was seeking your assistance on in Farmers & Merchants?

A No.

Q He didn't ask you to do anything for him?

2-P-3

J. Superstein - Clement Ex.

A No.

Q He didn't ask you to ask Mr. Hinman to do anything for him?

A No.

Q And Mr. Hanen then had some dealings with you about Alberta West shares, did he?

A Yes.

Q What happened about that?

A Sometimes later he purchased some shares.

Q From you?

A With a group through me.

Q He purchased shares as part of a syndicate from you, is that what you say?

A Correct.

Q I see. Now, in the course of the negotiation by that syndicate with you for your shares, was the name of Mr. Hinman mentioned at all?

A Yes.

Q In what way?

A He, to the best of my memory, I think Mr. Hinman -- Mr. Hanen said that Mr. Hinman suggested that if I wanted to give him some of my shares he would be interested in taking some.

Q It went no further than that?

A To the best of my memory at that time.

Q All right, and in fact, you did sell some of your shares to the Hanen group, did you not?

A I did.

2-P-4

J. Superstein - Clement Ex.

Q Yes. Did you have any dealings with Mr. Walker down in Calgary?

A Yes.

Q Any dealings with Mr. Walker in which Mr. Hinman was associated in any way?

A Yes.

Q What ones?

A It was a transaction that came up pertaining to the purchase of land in Arizona.

Q Yes, that was a matter in which Mr. Hinman, did he have any personal interest in that Phoenix -- in that Arizona transaction?

A I can't answer that.

Q Why?

A I don't know.

Q Well to your knowledge did Mr. Hinman have any interest in the Arizona transaction?

A I have never established that.

Q I see, what was the nature of this, a purchase of land?

A A purchase of -- if I remember correctly Mr. Walker had some apartments and some discussion of trading the apartments for this particular acreage.

Q Well, were Mr. Walker's apartments in Alberta?

A No, in Phoenix, Arizona.

Q I see, and he was interested in getting out of the apartments into some other land, is that it?

A That is correct.

2-P-5

J. Superstein - Clement Ex.

Q All right?

A That is when I got to know Mr. Hanen a little better because I flew down there and I don't recall whether Hinman was with us or not, I think he was and we discussed the project.

Q Well Mr. Superstein, your recollection is that Hinman was probably along, was it with a view to deciding whether he wanted to take a piece of it so far as you could see?

A Oh I can't tell you that, what he had in mind.

Q All right, well, let us pass on. You became interested -- perhaps at first you might tell me how you first met Mr. Hinman?

A To the best of my memory, I think I met Mr. Hinman for the first time officially in Ottawa.

Q Well I am not drawing distinction between official and unofficial meetings Mr. Superstein. How long ago was it that you first met him?

A I think it was in 1960, in Ottawa or 1959, I don't remember.

Q And when you say officially, you mean you were there on some business which required your attention?

A I was there on the egg and poultry industry.

Q I see, it was a conference of some sort?

A That is right.

Q And was Mr. Hinman there on the same matter?

A No sir.

Q All right, and so then you met him and what developed?

You say that was in 1960?

2-P-6

J. Superstein - Clement Ex.

A Approximately.

Q Very well, how did things develop from there, did you come to know each other well?

A Yes.

Q By what means?

A We met that evening in the Chateau Hotel and I discussed some of the problem of the agriculture industry in this Province, that it was facing, particularly vertical integration which not only, I felt, was going to affect the egg and poultry producers but a lot of the other parts of the industry and I discussed that and Mr. Hinman, he mentioned to me, was in the cattle business or ranching business at that time and he was also concerned about this vertical integration and we carried on just chatting about things and then the project of or a suggestion that there was going to be an apartment built in the area of this --

Q Who made that suggestion?

A Mr. Hinman. It was getting late in the evening, it was suggested if I wanted to take a unit I could have it. I didn't ask him about any other principals.

Q But he gave you to understand that he was himself financially interested in it?

A To the best of my memory he mentioned his brother-in-law Mr. Layton or Mr. Walker.

Q Mr. Layton or Mr. Walker, yes, so he mentioned then that his brother-in-law had an interest but he didn't specifically say that he had a financial interest, is that what you are

2-P-7

J. Superstein - Clement Ex.

Q (Cont.) telling me?

A That is right.

Q And he in effect invited you to come in on it?

A Yes.

Q Did he tell you it would be a good thing or what did he tell you?

A He felt it would work out as a pretty reasonable investment.

Q Did he give you any reasons why?

A Not particularly, no, I didn't go into that kind of --

Q It just sounded good to you in any event, did it?

A That is right.

Q At those times and what was going on there, had the airport construction been announced by that time?

A It was certainly rumored.

Q You felt the concept was good though, did you, in your own business judgment?

A Yes I did.

Q And what were you asked for -- what were you told was the price of admission?

A I don't remember if we discussed the price of admission that particular evening. I got back to Edmonton sometime later and I don't remember whether I phoned Mr. Hinman or Mr. Hinman phoned me. Mr. Tanner came into my office and asked me for a cheque for \$8,750.00. I came out of my private office, I remember, and dictated a few short words to my secretary and handed him a cheque for \$8,750.00.

Q Those words you dictated were a letter addressed to Mr.

2-P-8

J. Superstein - Clement Ex.

Q (Cont.) Chapman?

A J. L. Chapman who was not my solicitor.

Q Whose solicitor was he?

A He wasn't mine.

Q So you have stated. Why would you send the letter and cheque to Chapman then?

A I was told by either Mr. Tanner when he came to my office to make it out, or by Mr. Hinman, I don't remember.

Q But Chapman was the solicitor for the venture?

A Yes.

Q What happened from then on so far as this particular transaction is concerned? Well, perhaps I had better ask you this Mr. Superstein, for the \$8,750.00 what were you to get?

A I was supposed to be part of a syndicate. What I was to get I don't remember.

Q You don't remember?

A I was participating.

Q You don't remember whether it was a promissory note for your money or shares?

A I don't remember. All I remember is I was participating.

Q And the venture turned out to be unsuccessful in the end result, is that right?

A That is right.

Q Did you get any of your money back?

A No.

2-P-9

J. Superstein - Clement Ex.

Q When did it become apparent that it wasn't going to succeed?
About what year?

A I remember receiving a call from a Mr. Tom O'Dwyer in Los Angeles who told me that Mr. Tanner was mismanaging the apartment and that we can sure look forward to losing our investment.

Q Well, I wasn't asking you for gossip Mr. Superstein, I was asking you when to your knowledge it became apparent that it wouldn't succeed?

A This wasn't gossip. This was a statement made by Mr. O'Dwyer --

Q Well, I treat that as gossip. When did it come to your attention that it wasn't succeeding, your attention?

A '65, '66.

Q The Leduc venture?

A Approximately, I don't remember the date.

Q You don't remember the date. I had thought the foreclosure action was a little earlier than that.

A Well, I had no -- I had no -- I took no active part in it, my money was given to J. L. Chapman, I never received any official receipt from him and it was just one of those investments that I didn't follow up.

Q Mr. Hanen came into this project, didn't he?

A Well he came in sometimes later I think and bought Mr. Walker's shares.

Q Yes. Well then, did Hanen come in on the basis that it was still looking good or, you wouldn't know about that?

2-P-10

J. Superstein - Clement Ex.

A I wouldn't know what Hanen had in his mind when he came in.

Q I see. Very well, Hanen apparently came in in 1963 and the evidence is that he did sell his shares to Walker but you have no knowledge about --

Q No, he bought from Walker.

Q I mean he bought from Walker but you have no knowledge of that transaction, eh?

A No.

Q Then could we turn then Mr. Superstein to the Edmonton Produce Company itself. May I have Exhibit 477 please?

Mr. Superstein, I am showing you Exhibit 477, do you identify that as a photostat of a document prepared on letterhead of Edmonton Produce?

A I do.

Q It is a memorandum to you from Reo Realties Limited per Tanner. Could you tell me the circumstances under which this came to be written by Tanner to you?

A We discussed the sale of the Edmonton Produce and I gave him a listing.

Q Well now, is that a listing of something which has yet to be sold or is it a confirmation of a listing that had been given previously?

A It is a cancellation of a listing previously. It is a release.

Q Yes, that is correct. This relates to a listing that had been given earlier. Well now, let's start now at the matter of the listing. Did you list the properties of Edmonton

2-P-11

J. Superstein - Clement Ex.

Q (Cont.) Produce for sale?

A To the best of my memory I gave him authority to sell, yes.

Q Gave who authority to sell?

A Well I think it was either Reo -- well --

Q Well, what person did you discuss it with?

A It was Tanner.

Q What about Mr. Hinman?

A I didn't give it to Mr. Hinman, no.

Q How did you come to deal with Tanner?

A Well I met Mr. Tanner at the time when he came to my office and the eighty-seven fifty, I met him through Mr. Hinman.

Q Yes, and what occupation did he have then so far as you know?

A Well, from what I gather he was involved in real estate and the gravel business.

Q Well in any event, you had in mind selling the assets of Edmonton Produce, did you?

A Yes I had in mind selling it or becoming a public company.

Q Selling it or becoming a public company did you say?

A That was in the back of my mind.

Q But in any event, the matter of sale was sufficiently in your mind that you listed it with Mr. Tanner?

A That is right.

Q And Mr. Tanner was then representing Reo Realties, was he?

A That is right.

Q And you had no discussion with Mr. Hinman about selling the assets of Edmonton Produce?

2-P-12

J. Superstein - Clement Ex.

A I became very friendly with Mr. Hinman and I am sure that I discussed it but I can't, I don't -- I can't be pinned down to the time or exactly what I said but I am sure I discussed it. It was my whole lifetime of work.

Q Now, did you list this with any other real estate agent or any other agencies at all?

A No.

Q Why?

A I didn't particularly want it to become public.

Q Well now Mr. Superstein, if you list with one there has to be some publicity if your agent is going to be able to do anything at all?

A Well, in discussing it with Mr. Tanner I told him I didn't want it to become public and to handle it very carefully and there was some suggestion that a possible syndicate would buy me out and Jaasma was one of the members, I remember and that is when Mr. Hinman took a little more active part in trying to help me.

Q And why did he take an active part at that stage, what was it about the syndicate that interested him, do you know?

A I really don't know. We were looking for a syndicate that would be worked in with the Edmonton Produce such as bakery, which is a by-product of Edmonton Produce. Jaasma, if I remember correctly was one of the gentleman who sold poultry to the Edmonton Produce, therefore he would be assured of a definite outlet for his poultry. So there was a syndicate considering it at that time and if I remember Mr. Jaasma was

2-P-13

S. Superstein - Clement Ex.

A (Cont.) in the poultry business.

Q Well, could we just come back to Mr. Hinman. Have you any idea why this attempt to get a syndicate together would interest Mr. Hinman particularly?

A Well, Mr. Hinman was a good friend of mine, he tried to help me.

Q In fact, he tried to help you find a purchaser, did he not?

A That is right.

Q Aside from the syndicate. Do you know what he did in that regard?

A We had dealings with the syndicate --

Q Well, leave aside the syndicate, nothing happened with it so leave that aside?

A No.

Q Do you know what Mr. Hinman did, if anything, to help effect a sale?

A If I remember correctly, he told me he phoned the president of Ogilvie.

2-B-1

J. Superstein - Clement Ex.

Q I see, is that the man in Winnipeg?

A Montreal.

Q In Montreal?

A To the best of my memory.

Q Had you known him?

A Pardon?

Q Had you known him?

A No, I didn't.

Q Did you know the Ogilvie people in town here?

A Yes, they were my neighbours next door.

Q Is his name Atkinson?

A Yes.

Q Atkinson, you knew him?

A Yes.

Q Had you mentioned your interest in selling to Mr. Atkinson?

A No, I didn't.

Q Never had, I see.

A Not to my knowledge.

Q Ogilvie Flour Mills conduct what sort of a business?

A Well, feed business.

Q Does it have some subsidiaries too in various lines?

A I am not sure if they, I am sure they have but I don't know them all.

Q Well, the information on record, Mr. Superstein, is that the sale was ultimately made to a subsidiary of Ogilvie.

MR. STEER: I think it was made to Ogilvie itself.

Q MR. CLEMENT: Well, I would just like to get it

2-B-2

J. Superstein - Clement Ex.

Q (Cont.) straightened out.

A Not to my knowledge.

Q It was made to Ogilvie itself, not to a subsidiary or any related company, is that correct?

A As far as I know, yes.

Q Well, I just wanted to be clear about that. In any event, Mr. Hinman to your knowledge phoned the president at Montreal, is that correct?

A To the best of my memory that is what he told me.

Q And what happened from then on?

A I received a wire from Los Angeles which asked me for an option. I gave the matter some careful thought and before I could make up my mind I received a wire asking, saying that they were going to have a Board meeting and they must have this option if they are going to deal with this purchase of Edmonton Produce. I then wired, giving them an option for \$5,000.00.

Q Yes, they exercised the option?

A Yes, the total purchase price was \$505,000.00.

Q This comes back to a point, Mr. Superstein: in your discussion which you say was with Tanner rather than with Hinman and the listing with Reo Realties of that sale of Edmonton Produce assets, did you stipulate to Mr. Tanner a sum that you wanted for the property?

A When it came to the syndicate discussion the amount was \$655,000.00 or about in that neighbourhood, and consideration for a commission was \$25,000.00.

2-B-3

J. Superstein - Clement Ex.

Q Yes. Well, who was putting this syndicate together, Mr. Jaasma?

A He took an active part; I helped; Mr. Hinman tried, helped; Mr. Tanner tried.

Q But in the end result nothing materialized there and you dealt with Ogilvie as you have described?

A Yes.

Q And the listing that you gave Mr. Tanner was not confined to the syndicate, it was a general listing, was it; I mean if they found a purchaser acceptable to you the commission would be earned, is that it?

A It would be a commission earned, yes.

Q How did it come then from twenty-five thousand down to seventeen thousand?

A Well, I received less.

Q I am merely asking you if that was the basis of it?

A That is.

Q And after the grant of option by you by telegram as you have described, Mr. Superstein, did you carry on the rest of the thing yourself, I mean did you have any further assistance from Mr. Hinman or Mr. Tanner?

A No, I carried on.

Q You carried it on and concluded the matter. For the sake of clearing up the records, there apparently was a fire on the property at some stage, a fire loss on the property, was there not?

A That's right.

2-B-4

J. Superstein - Clement Ex.

Q At what stage was this, after the option had been given, before or after completion of the deal?

A It was before, the fire took place I think in July '62 and the sale was September '62.

Q Well, what was the date of the option approximately, before the fire?

A I don't remember exactly.

Q In any event, the fire took place during the course of the dealings?

A I think.

Q But it went on just the same, they continued with the purchase?

A Yes.

Q All right. Now, Mr. Superstein, how did it come that you put money in B & R Services, (Cardston) Limited?

A Well, I was involved with Mr. Hinman on a very friendly basis and we had become very good friends; and if I remember correctly we were I think sitting in front of Mr. Hinman's home and there was a discussion about a garage in Cardston and they were having some financial problems; and I don't remember whether I offered or whether I was invited. I loaned B & R Service Station \$6,000.00, I wrote the cheque in the back seat of the car.

Q Well, what was said to you that they, you were asked for \$6,000.00 were you?

A I don't remember the discussion, whether or not I offered or whether I was asked.

Q You have no recollection of how it came about?

2-B-5

J. Superstein - Clement Ex

A I don't know the exact wording or whether it came from my mouth or whether I offered or they asked me; it is impossible for me to remember that.

Q Well, was the financial position of the company under discussion?

A Not in details of any kind, there was no statements or nothing, I just said, well, I said, well, they said they need some financial help, they have to put the garage in order. I never looked at any documents. I said "What do you think ...?", I don't know whether I offered or whether they asked, I don't remember. All I know is I wrote a cheque to B & R Service Station for \$6,000.00. As far as I was concerned it was a loan.

Q To a company you knew nothing about?

A Pardon?

Q To a company you knew nothing about?

A Nothing about as far as -

Q Without any security?

A Without any security.

Q Without even a formal promise to repay, without even a promissory note?

A Not a promissory note, but a verbal promise I would get it back.

Q From Mr. Hinman?

A I looked to Mr. Hinman, yes.

Q I see, so that without then any examination as to whether the company really needed the money or whether it needed it so

2-B-6

J. Superstein - Clement Ex.

Q (Cont.) badly that it would never be able to repay you, you just gave them the money or loaned them the money?

A Yes.

Q Or lent the company the money?

A Yes.

Q And is that the way that was?

A That is the way that was.

Q Did you ever get any shares in that company?

A I never got any shares in the company.

Q Then you are saying that your position in your mind was always that of a creditor, that if they issued you shares this was not what you wanted and you never got them, is that what you are saying?

A I never got any shares and I never looked for any shares.

Q And were you aware that you were elected a director?

A Never, not until I came to this courtroom and listened to it.

Q I see, and in any event, Mr. Superstein, ultimately you got your money back by reason of a set-off on the commission for the Edmonton Produce, is that right? How did you get your six thousand back then?

A By, yes, off-set.

Q Yes. I think perhaps, sir, this is the first three topics that I had put more or less in a group, and perhaps it would be convenient if counsel cross-examined on them now so that the matter can be more easily handled.

THE COMMISSIONER:

All right, Mr. Hill?

MR. HILL:

I was wondering about my learned friend

2-B-7

J. Superstein - Hill Ex.

MR. HILL: (Cont.) Mr. Steer, sir, whether he wanted to, I would defer to him if he wishes to.

THE COMMISSIONER: I think the usual order is counsel for the person being examined really comes afterwards, isn't that the usual order we followed before?

MR. HILL EXAMINES THE WITNESS:

Q Mr. Superstein, dealing with the Edmonton Produce for a moment, Mr. Hinman apparently sat on the, what was called at one time a Management Committee, is that correct?

A Yes, you can refer to it as a Management Committee or Board, whatever you wish.

Q And did you invite him to sit on this Committee?

A Well, again I don't want to be pinned down to the timing or the words, who invited who. All I can say is that Mr. Hinman was, assisted me by being on this particular Board, but who invited who I don't know exactly. Whether it came out of my mouth or Mr. Hinman or Mr. Tanner, I don't know.

Q Well, going back one stage before that, you had actually hired Mr. Tanner on the recommendation of Mr. Hinman, had you not?

A That's right.

Q And then this Management Committee was set up I gather for the purpose of trying to keep a close watch on the company to see if there was anything that could be done to make the company more efficient?

A Well, the company was going through growing pains and it was having union problems and many other problems, and I thought

2-B-8

J. Superstein - Hill Ex.

A (Cont.) two heads were better than one, and I wanted some stepping stone where I could take my time in making decisions instead of everybody looking to me for the last word. I felt a Board would be a great help to the company and to myself.

Q Well now, Mr. Hinman had no financial interest in this company, did he?

A None whatsoever.

Q Did he have any other interest at all in the company or was it just based on his personal friendship with you?

A Strictly personal friendship. I have a great respect for Mr. Hinman.

Q You had a lot of respect for his business judgment, is that correct?

A It goes farther than that.

Q Well, you respected him as a friend and as a businessman?

A I respected him as a dear friend of mine.

Q And you thought his advice would be useful in the management of the company?

A Yes.

Q So that was there ever any discussion about Mr. Hinman purchasing any shares in the company?

A Not to my knowledge, no.

Q You have no recollection at all of this matter ever being under discussion?

A No.

Q Now, when you came to sell the property you discussed it

2-B-9

J. Superstein - Hill Ex.

Q (Cont.) with Mr. Tanner, you discussed it with Mr. Hinman, and the upshot of the matter was that Mr. Hinman then made a phone call to Mr. Atkinson in Montreal, is that correct?

MR. CLEMENT: No, Atkinson is in Edmonton.

Q MR. HILL: I am sorry. To the president of Ogilvie Flour Mills; now the listing that you actually had given was a listing to Reo Realties Limited, is that correct?

A That is correct.

Q In other words, there was no listing given to an individual such as Mr. Hinman?

A No.

Q The listing was actually given to Reo Realties?

A That's right.

Q And in fact a commission of \$17,000.00 was actually paid after the sale was completed?

A Yes.

Q Now, do you know whether or not Mr. Tanner or Mr. Hinman did anything else to try and sell this property apart from holding a few discussions with you and apart from making a phone call to the president of Ogilvie Flour Mills? Let me put it this way, did you feel they had earned their commission?

A I beg your pardon?

Q Did you feel they had earned their commission?

A I felt they did, yes.

Q Well, did you have any reluctance about paying this commission at the time when the sale was completed?

2-B-10

J. Superstein - Hill Ex.

A Not particularly, no.

Q And to earn this commission Mr. Tanner had made a phone call, I suppose other phone calls as well; Mr. Tanner had made a few phone calls and you had had some discussion: had they gone to any great expense to try to sell this business for you?

A I don't know what you call great expense, they had gone and did quite a bit of work, the original syndicate was the first possible buyer, and then the Ogilvie, so that they, I don't know what you mean by expense, certainly time was given.

Q Well, they had, Mr. Tanner and Mr. Hinman devoted a certain amount of time too, in the interests of your company, trying to sell it?

A Yes, they gave some time, yes, sure.

Q Do you recall whether Mr. Hinman spent quite a bit of time trying to sell this Edmonton Produce?

A Well, I wasn't with him at all times to know exactly how much time, you are trying to pin me down to exact times, I don't know.

Q Well, there were two people working on it, wasn't there, there was Mr. Tanner and Mr. Hinman?

A And Mr. Jaasma.

Q And Mr. Jaasma, and Mr. Jaasma was really interested as a member of the syndicate?

A That's right.

Q Whereas Mr. Hinman and Mr. Tanner were actually involved

2-B-11

J. Superstein - Hill Ex.

Q (Cont.) with Reo Realties which had the official listing to sell the property?

A That's right.

Q Now, as between Mr. Tanner and Mr. Hinman, who did most of the work to try to sell the property to your knowledge?

A To my knowledge, I can't answer that.

Q Now, referring to this matter of B & R Service and the \$6,000.00 cheque; you have told us that you really don't have any recollection of whether the cheque was solicited from you or you volunteered to pay the cheque or what, is that right?

A Well, what I said was I didn't know the exact wording, whether I said "Well, here, if you are in trouble here is \$6,000.00 as a loan until you get on your feet." or whether they said to me "Could you loan us some money?", I don't remember that.

Q It doesn't seem logical that you would out of a clear blue sky just offer to pay \$6,000.00 into a business without somebody suggesting to you that the business would need it, isn't that a fact?

A No, it is not a fact because I used to do that all the time, help my fellow man or help a friend or a man in business.

Q Is it not possible, Mr. Superstein, that Mr. Hinman must have suggested to you, or might have suggested to you that the company could use some additional funds or capital so that it could expand the business?

A What you are asking me to do is to pin down from whose

2-B-12

J. Superstein - Hill Ex.

A (Cont.) mouth these words came from and I cannot remember, but I always, this is the way I live, I helped people when they needed help, I signed notes or cheques, and that was the way I carried on.

Q So that you helped people if they needed help, and presumably Mr. Hinman must have indicated to you that B & R Service needed some help then?

A B & R Service was under discussion in the car, but whether I suggested that I would be glad to help or whether they asked me I don't remember.

Q In any event, you agreed to loan the company \$6,000.00 and gave them a cheque for that?

A I did loan them.

Q Was there any discussion at that time about you purchasing a share interest in the company for your \$6,000.00?

A Never.

Q Did you hear Mr. Hinman's evidence given yesterday in relation to this matter? I believe I asked him something to the effect about whether or not he had tried to arrange a loan elsewhere for B & R Service, and he answered that he preferred to obtain additional funds by way of a subscription to capital, and this is the reason that he suggested that you were brought in as a shareholder to the extent of \$6,000.00, rather than as a creditor of the company?

A I was never a shareholder in that company, and it was not until sometimes later, maybe a few years later, when it was pointed out that the word "equity" was placed on that cheque.

2-B-13

J. Superstein - Hill Ex.
- Bowen Ex.

A (Cont.) It was not my handwriting, the word "equity". I had no shares in B & R Service Station, I have none today, I had none then. It was a complete loan.

Q And you never obtained any form of security for that loan?

A None.

Q You relied entirely on Mr. Hinman's honour to pay it back?

A That is correct.

Q Thank you.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN EXAMINES THE WITNESS:

Q Thank you, sir. Mr. Superstein, you told us you first met Mr. Hinman in Ottawa, is that correct?

A To the best of my memory, yes.

Q Mr. Hinman has told us that he first met you in company with Gordon Taylor; do you recall that incident?

A I don't remember that incident, no.

Q You have told us that your first memory of meeting Mr. Hinman was in 1960 or I think you said it might have been 1959: was that your answer?

A Well, as I said before, I can't be pinned down to an exact date.

Q Mr. Hinman told us that he had known you four or five years before 1960 or '61?

A To the best of my memory, I don't know, maybe Mr. Hinman remembers better.

Q Now, tell me this, Mr. Superstein, did you have any dealings with Mr. Hinman before 1960?

2-K-1
J. Superstein - Bowen Ex.

A Not to my memory, no.

Q And when did you sue Mr. Hinman and issue the Statement of Claim through Mr. Simons' office?

A It wasn't through Mr. Simons' office.

Q Well, you did sue Mr. Hinman eventually?

A I did, yes.

Q When was that?

A The documents will show, I can't pin down, I don't want to be pinned down to the date.

Q My memory fails me, perhaps ---

MR. STEER: October, 1966.

MR. BOWEN: Thank you, sir.

Q MR. BOWEN: So that in the space of 1960 to 1966 he became a, I think, in your words, a dear friend of yours, is this correct, and then that friendship turned to enmity within those six years, is this correct?

A I wouldn't say that word enmity, we didn't agree.

Q Were you still a friend of his when you sued him, sir?

A Well, I wasn't an enemy, I wanted to collect my money.

Q I think the bloom had gone off the rose somewhat by that time, had it not?

A We were still friends and ---

Q And it was in 1964 that Mr. Hinman resigned as a Minister of the Crown?

A Yes.

Q And it was after that time that then you took it upon yourself

2-K-2

J. Superstein - Bowen Ex.

Q (Cont.) to issue a Statement of Claim against him personally?

A After, yes.

Q And before that date you had been in business ventures with him?

A That's right.

Q Were you agitated or were you upset when this commission was announced, Mr. Superstein?

A No.

Q Not a bit?

A -- I said no.

Q Did you not consult a number of people including lawyers in this city with respect to your position when it became known that you would be called as a witness in this inquiry?

A I consulted your friend, Mr. Steer.

Q Yes, and who else did you consult, sir?

A Well, you just can't walk down the street and somebody stopping you and talking about the commission, so ---

Q I understand that you did this continuously?

A That's your understanding, not mine.

Q Do you deny that?

A Well, all I said was that there was general discussions, I don't deny or admit it.

Q You told us that you had widespread business interests and did have in 1960, do these include hotels or did they at that time include interests in hotels of any kind?

A In 1960 ---, I had no interest in hotels.

2-K-3

J. Superstein - Bowen Ex.

Q Was your Airport Hotel venture your first participation in the hotel business?

A Oh, no, no, I had an interest once in a hotel called the Drake Hotel in Beverly, it's many years ago, and I don't remember how many years back.

Q Did your friendship for Mr. Hinman evolve from business dealings with him?

A No, I, the first business I had with Mr. Hinman was the Leduc apartment.

Q When was that, sir?

A I think it was in 1960.

Q Before or after you met him in Ottawa?

A After I met him in Ottawa, it was discussed in Ottawa.

Q Did you consciously cultivate Mr. Hinman's friendship, Mr. Superstein?

A I think it was a mutual friendship.

Q Did it occur to you that you were becoming friendly with a man very highly placed in the government of this province?

A Well, I, I have had friends in the government for many years all over Canada and the United States.

Q There is no doubt that you knew that Mr. Hinman was a Cabinet Minister?

A Yes.

Q Did you try to gain his friendship because he was a Cabinet Minister?

A No.

2-K-4

J. Superstein - Bowen Ex.

Q Did you have in mind that you could use his influence perhaps to assist you in your business, that is, his influence as a Cabinet Minister?

A No.

Q Not at all, sir?

A No, I didn't need his influence.

Q You needed his help in Edmonton Produce, did you not?

A Well, I said two heads are better than one.

Q Fine.

A And Edmonton Produce -- in the industry and I needed some help. I enjoyed over a million-dollar bank credit in 1960, I didn't need any financial help.

Q Coming for the moment to the apartments, I believe they were in Leduc?

A In the area of Leduc.

Q Yes, now, prior to Mr. Hinman offering you a participation in this scheme, had you investigated land in the Leduc area in any way?

A No, I didn't.

Q Had you talked with your business associates as to the possibility of a development for housing, hotels or apartments in this area?

A No, I didn't.

Q Did you discuss in any way the possibility of an airport being located where the International Airport is today?

A Well, I heard rumors at that time that there was going,

2-K-5

J. Superstein - Bowen Ex.

A (Cont.) possibly going to be an International Airport built.

Q Were you at that time participating in any form of land development or building in the vicinity of Edmonton?

A By that time I think I had the Airport Hotel in mind, I think it was 1959 when Dr. Allard and I discussed the possibility of building the Airport Hotel, I think it was in 1959. I stand to be corrected on the date, that Mr. Zane Feldman advertised for a plebiscite, as president of the Airport Hotel.

Q And the Airport Hotel was contemplated because of a possibility of the airport being there, is that not right?

A From rumors, yes.

Q Yes, so you were aware of the possibility of development in the Leduc area, Mr. Superstein?

A As far as the hotel, yes, at that time.

Q And other developments?

A In 1960 the apartment came up.

Q But you didn't have anything to do with investigating their feasibility in any way?

A As far as the Airport Hotel is concerned we made a feasibility study.

Q Well, please restrict yourself to my question, if you will, I am talking about the apartments now, Mr. Superstein, did you have anything to do with their locating there?

A Not a thing.

Q Is it true that the only thing you did in connection with

2-K-6

J. Superstein - Bowen Ex.

Q (Cont.) the apartments was to give a cheque for \$8,750.00?

A I gave a cheque for \$8,750.00, yes.

Q Now, in your discussions with Mr. Hinman on this, did they take place on more than one occasion?

A On the apartments?

Q About the apartments, sir, yes.

A After I issued the cheque we didn't discuss it much.

Q Would you answer my question, please, the question is, did your discussions with Mr. Hinman take place on more than one occasion with respect to the apartments?

A In passing, yes.

Q How many times, sir?

A Oh, I wouldn't remember.

Q Five or six?

A I wouldn't, I wouldn't try to guess.

Q How long would these discussions take?

A We might cover several items, so, in passing I would mention it.

Q So that at the time of the apartments you were on other deals with Mr. Hinman?

A I was discussing many problems with Mr. Hinman.

Q Were they all your problems or were they Mr. Hinman's problems, some of them?

A Some of them were mutual, maybe, when you have a friend, you discuss mutual relationships.

Q Now, did you give this \$8,750.00 to Mr. Tanner before the committee was formed for Edmonton Produce, that is, the

2-K-7

J. Superstein - Bowen Ex.

Q (Cont.) committee of Mr. Pitcher and Mr. Hinman?

A To try and answer that question intelligently I would have to refer to the records.

MR. BOWEN: Perhaps one of the more meticulous counsel here could tell us?

MR. STEER: August, 1961.

MR. BOWEN: The date of what?

MR. STEER: Is the date of the management committee meeting, August 8th and August 15th of 1961.

Q MR. BOWEN: And the cheque for \$8,750.00, I don't believe was in the ---

MR. STEER: October, 1960.

Q The cheque then, I gather from your learned counsel, sir, was given before the committee meeting?

A Yes.

Q You mentioned that this money was given to Mr. Chapman, that is, Mr. J. L. Chapman?

A The money was given to Mr. Tanner.

Q Payable to whom?

A To J. L. Chapman.

Q What?

A J. L. Chapman.

Q That's the barrister and solicitor on the south side?

A That's right.

Q And he, you mentioned, was not your lawyer?

A No.

2-K-8

J. Superstein - Bowen Ex.

Q Did difficulties ensue between you and Mr. Chapman over this apartment project, Mr. Superstein?

A Yes.

Q Would you tell us about that, please?

A Well ---

MR. STEER: My Lord, I wonder if this has any bearing whatsoever on the question before your Lordship?

THE COMMISSIONER: Is there any relevance, Mr. Bowen, and if there is ---

MR. BOWEN: I think so, sir, I'm not too interested in the difficulties that ensued, but I would like to know over what they arose in order that we may have a better appreciation of what happened with this money.

THE COMMISSIONER: Go ahead.

Q MR. BOWEN: Would you answer my question, please?

A Well, this \$8,750.00 was, money came out of Edmonton Produce and every so often my assistant general manager would come to me and say "What do you want me to do with this entry, should I charge it to you or what should I do with it?", and he'd bring it to my attention and I then write a letter to Mr. Chapman, when am I going to get verification of what happened to this eighty-seven hundred and fifty, and in my discussions I might have discussed it with Mr. Hinman back and forth.

Q When you told my learned friend the commission counsel earlier that you never followed this investment of \$8,750.00?

2-K-9

J. Superstein - Bowen Ex.

A Not too well, only every time, maybe once a year my office manager would ask me what's this entry, what am I going to do with the entry.

Q So you did follow your investment, Mr. Superstein?

A Not very well when you do it once a year or twice a year.

Q All right, so you were asking Mr. Chapman what happened to your money, did you find out?

A Never got a reply, to the best of my memory.

Q Did you not know that your money had gone into the building of the apartments?

A I knew because my letter stated that's subject to documentation to be delivered at a later date, and this documentation never came.

Q All right, and you followed this trying to obtain the money back or the documentation, did you obtain either?

A Neither.

Q You told us that the \$6,000.00 which was loaned to B & R was made in the back seat of the car, you wrote the cheque, is this correct? --- yes or no?

A Yes.

Q Was this your car?

A No, it wasn't my car.

Q Whose car was it?

A I think it was Mr. Tanner's car, I don't remember.

Q What was the occasion where you and Mr. Tanner and Mr. Hinman were present in Mr. Tanner's car in front of Mr.

2-K-10

J. Superstein - Bowen Ex.

Q (Cont.) Hinman's house?

A --- I think Mr. Tanner and Mr. Hinman and myself were together, I think Mr. Hinman was going home, left him off and I think I went home.

Q You went home with Mr. Tanner?

A Yes.

Q Was Mr. Tanner working for you at Edmonton Produce at this time?

A To the best of my memory I think so.

Q Was it he that had mentioned originally the question that B & R needed money?

A Well, again you are asking me to pin down from whose mouth these words came from, and I can't remember that, whether I suggested it or Mr. Tanner or whether Mr. ---

Q Was this loan always talked of in reference to B & R or was it talked of in terms of a loan to Tanner or Hinman? -- do you not follow my question?

A Please repeat the question.

Q Was this loan talked of in terms of a loan to B & R, perhaps we could stop there, at all times?

A I made out the cheque to B & R.

Q Oh, quite.

A What was talked, again you are asking me to pin down a conversation quite a few years back and I can't remember anything, I won't be pinned down to say whose mouth it came from.

2-K-11

J. Superstein - Bowen Ex.

Q Nobody is attempting to pin you down, Mr. Superstein.

A Well, every time you bring the question up, you bring it back in a certain way and it's the same question.

Q This is right, perhaps I could aid your memory.

A I beg your pardon?

Q Perhaps I could aid your memory. Was it ever contemplated that this would be a loan to an individual, either Tanner or Hinman?

A Not to the best of my memory, no.

Q It was always to be to B & R, is this correct?

A Yes.

Q You had no knowledge of what this business was, even, did you?

A No.

Q Hadn't the faintest idea?

A They told me it was a gas station and a garage, that's all.

Q Did you even know there was a company in existence to your own knowledge, of this nature?

A Not at that time, no.

Q Did you ask Mr. Tanner or Mr. Hinman to endorse a note on this or anything personally?

A I completely and implicitly trusted Mr. Hinman.

Q Was it the only one occasion on which this \$6,000.00 was discussed?

A That's the first time it came up at that time.

Q Had there been any previous discussions, that is, previous

2-K-12

J. Superstein - Bowen Ex.

Q (Cont.) to the meeting in the car, of the \$6,000.00?

A No, not to my recollection.

Q Did you hope to gain anything by giving them the \$6,000.00?

A No, I was just helping a fellow man.

Q Yes, quite. Did you ask for interest on that?

A I don't think so.

Q Did you have loans at the bank yourself at that time that you were paying interest on?

A -- you are asking me a question that I would have to go back to the records, I might have had some money of my own in some bank, I don't know.

Q But you didn't ask for interest from B & R?

A I don't remember asking.

Q What was discussed as to the terms of repayment of this loan?

A Not too much discussions, I expected to get paid back.

Q Did you express this to Mr. Hinman and Mr. Tanner?

A Well, I took it for granted that when I loan a man the money, he will pay me back.

Q Did you discuss when he would pay you back?

A Not to my recollection.

Q Mr. Superstein, you loaned this to the company, you say, I noticed a moment ago you said when you loaned a man money, you meant the company?

A Well, the individuals in the car were the company, I thought.

Q So that really it wasn't clear in your mind whether you were

2-K-13

J. Superstein - Bowen Ex.

Q (Cont.) loaning it to Mr. Hinman or Mr. Tanner or the company or all three?

A I wrote the cheque to B & R Service.

Q All right, what was in your mind, who were you loaning it to?

A I was looking to Mr. Hinman to repay me.

Q Quite, so you were loaning it to Mr. Hinman, were you not?

A That's a matter of interpretation.

Q Right. Now, I take it you were pretty close to Mr. Hinman then for a matter of four years, 1960 until 1964?

A Yes.

Q And did this relationship take the form of a social relationship as well as a business relationship?

A We would meet socially sometimes.

Q How often, sir?

A Once in a while we would meet socially.

Q Once a year, twice a year?

A I couldn't guess the number.

Q Did you visit Mr. Hinman at his office?

A Yes.

Q Frequently?

A Quite often.

Q During his business hours?

A Sometimes his business hours and sometimes after business hours.

Q For what purposes, always to discuss business?

2-K-14

J. Superstein - Bowen Ex.
- Hinman Ex.

A Business and otherwise.

Q Did you discuss at any time your business in connection with
the government or government influence?

A Never.

Q I believe we had discussed the Airport Hotel, did we not?

THE COMMISSIONER: We hadn't reached that yet.

MR. BOWEN: I'm sorry, that's all I have, thank
you, sir.

THE COMMISSIONER: Mr. Steer?

MR. STEER: I would have no questions, sir.

THE COMMISSIONER: Mr. Friedman?

MR. FRIEDMAN: No questions, sir.

THE COMMISSIONER: Mr. Hinman?

MR. HINMAN EXAMINES WITNESS:Q Going to the Ogilvie sale, do you remember an occasion, Mr.
Superstein, when I met with you and the president at lunch
time in a hotel here and discussed that particular matter?

A The president from Edmonton or Montreal?

Q From Montreal.

A Just at the moment I don't remember, I would like to check
some memos.Q That's fine. Do you recall whether Mr. Tanner ever sat
in with you and the officials of Ogilvie when you were
discussing the details of rebuilding or re-equipping or
anything that had to do with the sale?

A I think Mr. Tanner might have sat in with the new manager

2-K-15
J. Superstein - Hinman Ex.

A (Cont.) who was taking over, I don't remember, I think he might have, I don't remember.

Q Now, regarding meetings in my office, had you any knowledge of what time in the morning I went to work at my office?

A Sometimes as early as six-thirty, seven o'clock ---

Q And you being an early-riser, did you ever come there early and spend a half hour with me?

A Yes.

Q And sometimes after hours?

A Yes, sometimes as late as ten o'clock at night.

Q Now, regarding our social meetings, I had said that we, neither of us were mixed up in the social life of the city, but did we meet for lunches on Saturdays quite frequently and have little visits?

A Yes, Saturday afternoons and sometimes we would have a fresh cup of coffee in the Parliamentary Coffee Shop.

Q Just friendly visits?

A Yes, chat.

MR. HINMAN: Thank you, Mr. Superstein.

THE COMMISSIONER: We will adjourn until eleven-thirty.

(At this point the commission stood adjourned until 11:30 a.m. and reconvened.)

3-P-1

J. Superstein - Hinman Ex.
Sol Estrin - Clement Ex.

MR. CLEMENT: Sir, I wonder if I might be permitted to intervene with the witness here? Mr. Estrin whose testimony will be quite short, I believe, has been waiting all morning and I think it is rather unfair to keep him waiting any longer.

THE COMMISSIONER: Yes, we will hear Mr. Estrin, I notice he has been in court all morning.

MR. CLEMENT: Yes, thank you. Would you mind standing down.

(Witness stands down.)

SOL ESTRIN, sworn by affirmation and examined by Mr. Clement:

Q You acknowledge that the oath you took is binding on your conscience?

A Yes.

Q Thank you, sit down Mr. Estrin. Mr. Estrin, you are a member of the Law Society of Alberta?

A Yes I am.

Q And you have practiced your profession in Edmonton for a number of years?

A Yes.

Q Were you concerned with corporate work on behalf of Edmonton Airport Hotel Company Limited?

A Yes, I was a partner in the firm of Prowse and Estrin and this would be between 1961 and 1965 and during that period we acted for Edmonton Airport Hotel Company Limited.

Q Which Mr. Prowse is that? There are two in the City?

A Harper Prowse.

3-P-2

Sol Estrin - Clement Ex.

Q J. Harper Prowse, now Senator?

A Yes, the Honourable Harper Prowse.

Q So, did you have in your charge the corporate work involved for that company during that period, that is, your personal charge?

A Yes, the company had been incorporated but the work did come to the office.

Q I direct your attention particularly to the matter of issue and allotment of shares of Edmonton Airport?

A Yes, I was involved.

Q Evidence is given that at one stage the capital of the company was increased from an original \$100,000.00 to \$400,000.00?

A This may or may not be correct. As I recall, -- I would preface my remarks by the fact that I haven't seen the actual company documents for several years.

Q This isn't of sufficient importance, in any event, in the end result the increase was to four?

A There was an increase of capitalization as well, I believe, as a change from par value shares to no par value shares.

Q Now, were you given instructions as to share allotments?

A Yes I was.

Q Were you given instructions as to share allotments to Trebeurden Real Estate Company?

A Yes.

Q And that was made by three different allotments as I recall the evidence?

3-P-3

Sol Estrin - Clement Ex.

A Well, I must say that Mr. Tanner, as he indicated by his evidence this morning, purported to make the necessary allotments and then there were some difficulties at the Companies Branch and I took over the matter and it was just a matter of carrying out the same instructions. I don't recall in exact detail.

Q What I am coming to Mr. Estrin is the matter of any share allotments or proposed share allotments to Mr. Hinman, Mr. Edgar Hinman, did you ever receive instruction with respect to that?

MR. STEER: My Lord, this is a question that involves the privilege of the client, Edmonton Airport Hotel and Superstein. I have no objection whatever to Mr. Estrin telling us about what is in Exhibit 497 indicating what the shareholdings of this company were from time to time but, this conversation is privileged if one took this and I am instructed to insist on the privilege being maintained.

A Sir, all I can add is that I would feel bound by my ex-client's privilege.

MR. CLEMENT: I have no quarrel in law with Mr. Steer's position, sir.

THE COMMISSIONER: Oh, I don't think there is any question of any conversation between client and solicitor is privileged. I think however Mr. Clement you can proceed and enquire what was done which is a matter of record.

Q MR. CLEMENT: Mr. Estrin, these documents which comprise Exhibit 497 and are annual returns --

3-P-4

Sol Estrin - Clement Ex.

THE COMMISSIONER:

I might just interrupt, do any

counsel wish to speak to that?

MR. HILL:

I would like to make a submission.

THE COMMISSIONER:

I am sorry, I will hear counsel

on that. Mr. Hill?

MR. HILL:

I just have one point to raise sir
and that is this matter of the privilege that was dealt
with before. Now, the tape and the written transcript of
the tape recording were permitted by Your Lordship to be
read into the evidence.

THE COMMISSIONER:

Because the tape recording was a
matter of public record, the transcript of it was a matter
of public record and that was entirely demonstrated and I
specifically recorded in the record the reasons for admitting
that. That was not privileged because the transcript or,
the translation or, whatever you call it of the tape had
already been filed in the Legislative Assembly and we were
certainly entitled on the basis of that to hear the tape to
see whether it corresponded with that public record.

MR. HILL:

As I recall Your Lordship's ruling
it was that because of the fact that the contents of the tape
which were in direct relation to what Mr. Estrin has been
asked about, instructions given as to the allocation of the
shares because of the fact that that was in fact published,
as I recall Your Lordship's direction, this was treated as a
waiver of that privilege and I submit sir it is the very same

3-P-5

Sol Estrin - Clement Ex.

MR. HILL: (Cont.) privilege that my learned friend is claiming now.

THE COMMISSIONER: No, I think the record will indicate, my reason was --

MR. CLEMENT: We should perhaps be clear, sir. That privilege that would have existed except for the public breaking of it was with or did not concern Mr. Estrin. Mr. Estrin is another person now.

THE COMMISSIONER: Yes I know, I think Mr. Hill is arguing by analogy here. As a matter of fact, it was myself who raised the question of privilege. I wanted to establish with respect to the tape that there was no privilege and I was satisfied that there was no privilege there because the transcription of that tape recording had been tabled in the Legislative Assembly and if any privilege had ever existed, the privilege had been waived before this matter came before this Commission.

MR. HILL: I am treating Mr. Estrin and Mr. Prowse as being the same person because they were both members of the same firm and acted for the same clients.

THE COMMISSIONER: Oh, I see your point, you are arguing the matter is no longer privileged by reason of the fact that -- well, of course, we were dealing there with a conversation between Mr. Prowse and somebody who was interviewing him on a tape machine. Now we are dealing with -- and the recording was heard on the basis that the transcription was already a matter of public record and

3-P-6

Sol Estrin - Clement Ex.

THE COMMISSIONER: (cont.) therefore any privilege that existed as to Senator Prowse having waived by -- I don't know who waived it but it had been waived by that transcript being filed in the Legislative Assembly.

Now we are dealing here with a conversation or instructions given by Mr. Superstein to Mr. Estrin in his capacity as a solicitor. It seems to me we are dealing with an entirely different situation. Do you want to add any more Mr. Hill?

MR. HILL: No sir, I don't intend to pursue it but it seems to me that there was one set of instructions and isn't clear yet until we hear from Mr. Estrin as to whether he individually received those instructions or whether Senator Prowse received them.

THE COMMISSIONER: Senator Prowse has seen fit to give an interview on this thing and Senator Prowse has waived any privilege that he might have had with regard to that and has made something public. Senator Prowse is going to be called as a witness here and then he will be questioned, I presume, on that interview.

MR. HILL: My only point was --

THE COMMISSIONER: But, I think we have a different situation here, we are dealing with instructions given to Mr. Estrin in his capacity as a solicitor by a client and I am dealing with it only on that narrow basis.

MR. HILL: I don't intend to pursue it.

3-P-7

Sol Estrin - Clement Ex.

THE COMMISSIONER:

Yes. Mr. Bowen?

MR. FRIEDMAN:

Mr. Commissioner --

THE COMMISSIONER:

Yes?

MR. FRIEDMAN:

Perhaps we can clarify from Mr. Superstein before we proceed whether or not he waived the privilege to Senator Prowse to grant the interview that he granted.

MR. CLEMENT:

Well, I think sir --

THE COMMISSIONER:

I think it is academic now.

MR. FRIEDMAN:

But, if he waived privilege to Senator Prowse to grant the interview and make this information public, then --

THE COMMISSIONER:

Oh, I see your point Mr. Friedman.

MR. FRIEDMAN:

That he may well have waived his privilege in this matter.

THE COMMISSIONER:

I see what you mean. Certainly the privilege has been waived, I see your point there. Mr. Steer, are you in a position to indicate whether or not Mr. Superstein waived privilege with respect to this conversation with either Senator Prowse or Mr. Estrin?

MR. STEER:

Well, I am inclined to think, subject to what Senator Prowse has to say, that the privilege was waived with regard to this tape recording but that isn't to say that the privilege was waived with regard to his instructions to Mr. Estrin or with regard to what Mr. Estrin discovered by conversations in his office dealing with the matter all of which, in my respectful submission, are

3-P-8

Sol Estrin - Clement Ex.

MR. STEER: (Cont.) privileged.

THE COMMISSIONER: I think there are two different matters. The tape and the instructions by Mr. Superstein to Mr. Estrin are, I think, two different matters Mr. Hill and unless -- I take it from Mr. Steer's statement that Mr. Superstein is not prepared to waive privilege with regard to any instructions he gave Mr. Estrin. You will have to deal with Senator Prowse's position when it arises.

MR. CLEMENT: Yes, I would subscribe to the view put forward by Mr. Steer, sir.

THE COMMISSIONER: Yes. I acknowledge that there is privilege so far as whatever instructions Mr. Superstein gave to Mr. Estrin.

MR. BOWEN: All I want to say is I agree entirely with learned Commission counsel, Mr. Steer and yourself, My Lord.

MR. CLEMENT: Well, let me see if I can get any further at all and perhaps excuse Mr. Estrin.

Q MR. CLEMENT: Mr. Estrin, Exhibit 497 then are the annual reports of Edmonton Airport Hotel Company Limited for a number of years and they include most of the years that you mentioned and these I take it were prepared probably by you?

A If I could see them?

MR. STEER: If it will assist any, I admit the accuracy of the record.

MR. CLEMENT: Yes, what I am coming to is this

3-P-9

Sol Estrin - Clement Ex.
- Hill Ex.

MR. CLEMENT: (Cont.) Mr. Estrin they show shareholdings and changes, they show the shareholdings and changes in shareholdings including allotments to Trebeurden and so on?

A Yes.

Q My question is this and I doubt whether it is very easy for you to answer without examining one but do the annual reports from 1961 onwards correctly reflect the instructions you were given with respect to shareholdings? It is the inside pages.

A Yes.

Q Dealing with a list of --

A Yes, they do accurately reflect the shareholdings.

Q That is perhaps as far as I will be able to go without provoking more argument, sir.

THE COMMISSIONER: Mr. Hill?

MR. HILL EXAMINES THE WITNESS:

Q I just really have one question Mr. Estrin and I don't want to infringe on the privilege, I prefer to ask the question and then my friend Mr. Steer or Mr. Justice Kirby can then make a ruling on the matter. I am wondering whether you ever had any discussions with Mr. Tanner in relation to the obtaining either the mortgage financing or the interim financing of the Edmonton Airport Hotel?

MR. STEER: I object My Lord, it is purely privileged.

Q MR. HILL: My next question is: was Mr.

3-P-10

Sol Estrin - Hill Ex.

Q (Cont.) Hinman's name ever mentioned in any connection or in any way whatsoever during the course of your discussions with either Mr. Tanner or Mr. Superstein or anyone else involved in the development of the hotel from start to finish?

MR. STEER: Again My Lord, the same objection.

THE COMMISSIONER: Yes, I am afraid those are privileged matters Mr. Hill.

MR. HILL: I am just wondering sir what the basis of --

MR. CLEMENT: This of course sir can develop -- some of these questions might require a little development because merely because a man goes and talks to his solicitor about something doesn't make that something of itself privileged. There has to be some consultation involved in my respectful submission.

THE COMMISSIONER: Well, I would take it in that sense and if you want to elaborate Mr. Hill.

MR. HILL: Well, my submission is simply this sir, Mr. Hinman is not the client and Mr. Hinman's name may have been mentioned incidentally and my respectful submission I don't think the privilege of Mr. Superstein and his company would apply vis-a-vis in conversations that took place with Mr. Hinman and the principals of the Airport Hotel Company.

MR. STEER: The suggestion My Lord, in my submission was that Mr. Tanner was in this office where they were acting as solicitors for the Edmonton Airport Hotel which

3-P-11
Sol Estrin - Hill Ex.

MR. STEER: (Cont.) he at that time was managing and the question was whether in those consultations in that office between solicitor and client, names were mentioned and I submit that it is clearly privileged.

MR. HILL: I haven't restricted it to what took place in the office but made it purposely broad to include discussions at any time which could have been incidental, entirely outside the periphery.

THE COMMISSIONER: Well, you haven't excluded professional -- you will have to specifically exclude it from any professional discussion between Mr. Tanner and his solicitors. Professional discussion.

Q MR. HILL: Subject to Mr. Commissioner's direction Mr. Estrin, can you tell me whether or not Mr. Hinman's name was mentioned at any time during the course of the period when you were involved as solicitor for the company, was Mr. Hinman's name mentioned in any capacity at all? Subject to The Commissioner's direction.

THE COMMISSIONER: Mr. Hill, that embraces both professional discussions and non-professional discussions.

MR. HILL: I was going to except that, sir.

THE COMMISSIONER: You can't touch on anything that is professional.

MR. HILL: I was going to except that out of my question.

Q MR. HILL: Apart from any professional instructions or information that may have been related to you

3-P-12
Sol Estrin - Hill Ex.

Q (Cont.) in your capacity as counsel by your client, did Mr. Hinman's name, was it ever raised in any connection or relationship to the Edmonton Airport Hotel during the time that you acted as counsel?

MR. STEER: My Lord, are we talking of conversations with Mr. Tanner or are we talking about what?

THE COMMISSIONER: You will have to be more specific, they are pretty general questions Mr. Hill, you will have to be more specific.

MR. HILL: Well, I have tried to --

THE COMMISSIONER: You have to name specifically who you are talking about, what persons you are talking about. It seems to me if you break your question down, trim it down to persons that you are interested in and define it more decisively.

Q MR. HILL: During the time that your firm Mr. Estrin was acting as counsel for the Edmonton Airport Hotel and, apart from any professional consultation or any information that may have been given to you in your capacity as counsel for the company or any advise that you may have given to your client in your capacity as solicitor, was either Mr. Tanner's name or Mr. Hinman's name mentioned in any way in relation to the financing either with the bank or with the mortgage company discussed?

MR. STEER: My Lord, if that question is to be asked it is, in my submission, have to be asked in this way. Did you have private conversations outside the office,

3-P-13
Sol Estrin - Hill Ex.

MR. STEER: (Cont.) unrelated to your professional employment on these matters. Now, I suppose if those conversations took place Mr. Estrin might be asked about them but unless it is in such conversation as that, purely private and apart altogether from any professional employment then the question in my submission can't be asked.

3-B-1
Sol Estrin - Hill Ex.

THE COMMISSIONER: Perhaps you might ask the witness then if there were any such private conversations?

Q MR. HILL: Are you in a position then to answer the question as phrased by -

A Well, I don't believe so, Mr. Hill, because you indicate, your question is in relation to financing, did you say, or -

Q Well, I have referred specifically to financing, yes.

A Well, I feel this is embraced in the privilege.

THE COMMISSIONER: Now, Mr. Estrin, he is talking about any private conversations that were not professional at all, any private conversations in which you were not being consulted professionally and you were not acting in your capacity as solicitor for Mr. Superstein or the Airport Hotel; did you have any such conversations?

A Well, I recall having coffee once with Mr. Hinman in the past several years, but it had no relationship at all to the Airport Hotel.

Q MR. HILL: And the subject of the Edmonton Airport Hotel was not discussed at that time?

A I really don't know.

Q I think that answers my question, sir.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN: No questions then, sir.

THE COMMISSIONER: Mr. Friedman?

MR. FRIEDMAN: No questions, sir.

THE COMMISSIONER: Mr. Steer?

MR. STEER: I have nothing, My Lord.

3-B-2
Sol Estrin - Clement Ex.

THE COMMISSIONER: Mr. Hinman?

MR. HINMAN SR: No questions, sir.

MR. CLEMENT EXAMINES THE WITNESS:

Q Sir, I have an afterthought, I seem to be given to those today.

Mr. Estrin, Mr. Tanner stated that in the course of making share allotments and the like, the allotments for Mr. Superstein were in blocks, that is to say he did not hold one share certificate for the total of his holdings but he held the shares in his name in several certificates of blocks of shares; can you verify that or not, from your recollection?

A This is privileged -

Q Well, this is already put on the record.

A Fine. I can't verify that, as I say I haven't seen the actual share certificates for several years but my memory was that it consisted of possibly six or seven share certificates for Jake Superstein and I think there was more than one for Ruth Superstein, but I don't recall that, sir.

Q Fine, that's all.

THE COMMISSIONER: Thank you, Mr. Estrin.

A Thank you.

(Witness steps down.)

MR. CLEMENT: Sir, there was a question that you wished to ask Mr. Tanner. Perhaps we could intervene with him also because he would like to get back to Calgary as soon as you permit him.

3-B-3

W. E. Tanner - Clement Ex.

THE COMMISSIONER: I wanted to ask him some questions but I can't remember what was the question, but I felt that -

MR. CLEMENT: Well, in any event perhaps I can call -

THE COMMISSIONER: Have Mr. Tanner recalled.

WILLIAM E. TANNER, recalled, examined by Mr. Clement:

THE COMMISSIONER: Mr. Tanner, you are still under oath?

A Yes sir, I am.

Q MR. CLEMENT: Do you recall Mr. Tanner, that when you were answering questions put to you by Mr. Hill you referred to a meeting between yourself, as I understand it, and Mr. Superstein, and I think Mr. Hinman, in which you said that there was no discussion about any allotment of Edmonton Airport Hotel shares; do you remember that piece of testimony?

A No sir, I would like to be refreshed if I could, sir.

Q Well, was there some meeting between you and Mr. Superstein and Mr. Hinman at which there was a discussion of the affairs of Edmonton Airport?

A No sir.

Q I am afraid then we will have to wait for the transcript, sir.

A I didn't understand, if I misunderstood the question or if I misinterpreted it if I did.

Q It was running in my memory and His Lordship's memory that you did speak of a meeting?

A Yes sir, a meeting that I would have had would have been with Mr. Superstein.

Q All right, let's take it then with Mr. Superstein; was there a meeting, some meeting which you had with Mr. Superstein

3-B-4

W. E. Tanner - Clement Ex.
- Hill Ex.

Q (Cont.) which had to do with allotments of shares or disposition of shares of any description?

A Yes sir.

Q Well then perhaps I was wrong in bringing Mr. Hinman into that picture.

A Yes.

Q What was that meeting?

A It was to do with the original allotment of the shares and the distribution to Trebeurden Real Estate and the allotment of the further shares, and he instructed me as to how to issue the shares.

Q And this was the only meeting that you received any instructions or information as to how the shares were to go?

A Yes sir.

Q None other?

A No sir.

THE COMMISSIONER: Have counsel any questions?

MR. HILL EXAMINES THE WITNESS:

Q Just one short one arises out of that. I believe I asked you that question, Mr. Tanner, and I mentioned Mr. Prowse's name; I was under the impression you had said you had attended a meeting at which Mr. Prowse was present as well. Can you clarify that for me?

A There were meetings with Mr. Prowse and Mr. Superstein and myself on various occasions, but we are talking about allotment of shares, this is what I referred to, in the allotment of shares.

3-B-5

W. E. Tanner - Hill Ex.
- Steer Ex.

Q And this particular meeting you just referred to now, this was one that I gather was not attended by Mr. Prowse?

A That's right.

Q And did you have any other meetings at which Mr. Prowse was present?

A With Mr. Superstein?

Q Yes?

A Yes, we did.

Q And was the subject of shares discussed in any form at any of these other meetings?

A I couldn't, I can't remember of anything particular, no, because the shares were all issued and I cannot remember of any other shares.

Q In any other company?

A Pardon me?

Q In any other company?

A Or any other company or any company other than the allotment of the original shares.

Q Yes, I am speaking, of course, apart from Trebeurden's shares and apart from the Superstein shares?

A No, there was not.

Q Thank you.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN: No, thank you, sir.

THE COMMISSIONER: Mr. Steer?

MR. STEER EXAMINES THE WITNESS:

Q You did tell me, however, that there had been discussions

3-B-6

W. E. Tanner - Steer Ex.

Q (Cont.) with Mr. Superstein under which in some form or other Mr. Hinman was to have ten percent of this undertaking and Arnold was to have ten percent and you were to have five percent, and then subsequently your five percent was changed into payment for your services in cash; now, did you tell me that?

A No sir, I don't understand that because there were shares that could have been purchased and I was to be given a chance to purchase shares in lieu of receiving money.

Q Yes, and Mr. Hinman and Mr. Arnold were to be given the same chance to purchase?

A This is not to my knowledge, sir.

Q Did you not tell me that?

MR. CLEMENT: No, he said he didn't know about it, Mr. Steer.

THE COMMISSIONER: No, he didn't, Mr. Steer.

MR. HILL: It was discussed.

THE COMMISSIONER: That was not my recollection of his evidence, Mr. Steer.

MR. STEER: Very good, sir.

THE COMMISSIONER: Fine, Mr. Steer.

A Thank you, sir.

THE COMMISSIONER: Any other questions? Thank you, you are excused now, Mr. Tanner.

(Witness steps down.)

THE COMMISSIONER: You can go on with Mr. Superstein.

3-B-7

J. Superstein - Clement Ex.

MR. CLEMENT: Yes, we will resume with Mr. Superstein, please.

JAKE SUPERSTEIN, recalled, examined by Mr. Clement:

Q Mr. Superstein, I wonder if I might go back for a moment in order to get this sale of the Edmonton Produce in the right time prospective. Could you give me the date as closely as you can on which the sale to Ogilvie was completed, and by that I mean completed to the extent that it could be considered that the commission on the sale had been earned?

A September 30th 1962.

Q That's it, at that moment you would concede that the agreed commission had been earned?

MR. STEER: Just wait a moment, we will get that date.

A Thank you sir.

MR. STEER: I am afraid I have nothing here but the option which was the 28th of July 1962; and what do you say was the date of completion of the sale?

A I am sure, I am reasonably sure that it was September 30th, 1962, I am reasonably sure.

MR. STEER: I see.

Q MR. CLEMENT: Mr. Superstein, on July 27th 1962, the sum of \$5,000.00 was put to the credit of the account of Mr. Hinman in the Toronto Dominion Bank here, and Mr. Tanner has said that that was the result of a cheque in that amount which you drew and gave to Mr. Tanner for deposit to this account; is that correct?

A That is correct.

3-B-8

J. Superstein - Clement Ex.

Q Tell me the circumstances which impelled you to have this deposit made to Mr. Hinman's account?

A I didn't, you have just said I made, I didn't make the deposit.

Q Well, tell me how it happened then?

A Well, I, and again I must say that I don't want to be pinned down to timing or exact words. I don't know exactly whether I phoned Mr. Hinman or whether Mr. Hinman phoned me, or whether Mr. Hinman came to see me or I went to see him; but I learned that there was a misfortune in the family, and I expressed my regrets; and I said if there was anything I could do to please don't hesitate to call on me. That discussion could have been on the telephone, I don't remember.

Q Is that all that you can recall of that discussion?

A Yes, and what I, I knew from my previous association with Mr. Hinman that he had an interest with his brother-in-law who had just got killed.

Q Been killed, yes?

A In a cattle operation, operation of a cattle ranch or, and I was concerned that there could be a shortage of feed or hay or something like that. I knew a great deal of the producers all over the Province of Alberta, I knew a great deal of the producers or the farmers in all of Alberta, and I naturally offered my help, having in mind if I had to phone some neighbour to supply some hay or feed or anything like that, that I would be very happy to do so. And I said "Please

3-B-9

J. Superstein - Clement Ex.

A (Cont.) don't hesitate to call on me.", and he said to me "Jake, I don't know where things stand, I am going to go home to see how Mrs. Layton feels and see how things are.". And the next thing I remember, my secretary said "Mr. Tanner would like to see you.". He came in my office, this is to the best of my memory, he told me that Mr. Hinman had just called him from I think Cardston, Cardston Alberta, and I wonder if I would mind loaning him \$5,000.00 until the affairs are straightened away. I said "Of course.", and I wrote a cheque for \$5,000.00. Mr. Tanner took the cheque, and I of course now learned, since then have learned that his account was on the Toronto Dominion Bank, he deposited it to Mr. Hinman's account and that's all I know of that cheque. Exactly what the distribution was or who he paid, I don't know anything about that, or how the affairs of Mr. Hinman were settled, or Mrs. Layton or Mr. Layton, I don't know; but I did give Mr. Hinman a loan of \$5,000.00 in this particular case.

Q Now, when did that get repaid?

A It was repaid as an off-set, the same as the other one, at the sale of the Edmonton Produce commission, in a settlement later.

Q Yes, I understand that is generally so, Mr. Superstein, but apparently you didn't accept it that way, you didn't acknowledge it as an off-set until sometime between October 1966 and March of 1967?

A That is true.

3-B-10

J. Superstein - Clement Ex.

Q So that up to that time you were looking on it as a loan that you wanted back?

A Yes, and I kept on asking for it.

Q And why then did you decide to off-set it against the commission?

A Well, as you know, I got into this litigation, I got involved in this litigation with the Airport Hotel.

Q That was some years before, it started some years before?

A Yes, it started, but it lasted for quite a while.

Q Yes, it lasted for quite a while.

A And everything was just hanging until, and actually I think this is a very important statement that I am going to make now, it has a great bearing on this Commission in my opinion: that all these figures was dealt with sincerely for the, after I had got to a point where Credit Foncier, who had a great big judgment against me, gave me a reasonable settlement, suggested a reasonable settlement. At that time I went to Mr., advised Mr. Hinman that I want to bring all these things to an end. We met.

Q About when was this meeting then?

A March 10th, 1967 approximately.

Q Up until that time you had been trying to collect things, including going so far as to sue for the \$11,000.00 and interest, is that right?

A That's right, and Mr. Hinman and Mr. Tanner and I got together and I said "I just want to close that part of the book.", I said "I want to arrive at a settlement.". We

3-B-11

J. Superstein - Clement Ex.

A (Cont.) agreed on this settlement on the basis of all deals, and I received, I want to say this, all deals including the Airport Hotel.

Q Well, then we will come to the Airport Hotel and go into that in a moment, but let us finish this then?

A And by off-setting the amount owing to me plus the amount they agreed to pay me, which I have since then been paid, all outstanding accounts were settled.

Q Did you receive some money?

A Yes.

Q Now, in 1966 the firm of Mustard and Pecover wrote a demand letter on your behalf to Mr. Hinman, which Mr. Hinman has acknowledged receiving, and I will put it before you, Mr. Superstein, so that we may discuss it together. On June 8th 1966 then you took the position that Mr. Hinman still owed you the \$5,000.00 which had been put to his credit on July 27th 1962?

A Right.

Q Yes, and you took the position that the \$6,000.00 relating to the B & R Service Station was still outstanding and unpaid?

A Right.

Q And you refer to an item, "Refund from . . .", or "Deficiency of refund from J. Harper Prowse concerning 111th Avenue property transaction, \$5,000.00.". This has not been very well explained so far, Mr. Superstein, could you give us a word as to why you would be charging Mr. Hinman with that \$5,000.00?

3-B-12

J. Superstein - Clement Ex.

A Mr., to the best of my memory Mr. Tanner told me that there was a transaction available to go into, some land on 11th Avenue, and I don't remember whether the company was formed then or not, but Avenue West is what it finally was called, and he told me if I put up \$35,000.00 -

Q This is Tanner was telling you?

A Yes.

Q Yes, fine?

A - that I would have one third. I received back \$30,000.00 and the other \$5,000.00 I never received.

Q Well, the thirty-five thousand that you were putting, that you put up, was that to purchase an equity position or as a loan or what was it all about?

A My understanding it was an equity position.

Q I see, well, you got back what you put up but no profit on it then?

A I only got back thirty thousand.

Q Well, ultimately you got the balance in the settlement, didn't you?

A Yes.

Q Yes?

A At that date I hadn't received.

Q Yes, was the property turned over at a profit so far as you know?

A Yes, yes, after checking it out later I find that there was a profit made, not by me.

Q I gathered that would be so, but, in any event, you got back

3-B-13

J. Superstein - Clement Ex.

Q (Cont.) the \$30,000.00 because the venture had been sold out, is that right, I mean -

A No, I think it was refinanced to, once it got into Avenue West.

Q Well, in any event whatever it was -

A It was refinanced and I was able to get back the -

Q In any event, Mr. Superstein, what I am curious about and I am not clear yet is why you were charging Hinman with that five thousand deficiency rather than Tanner?

A Because to the best of my memory Mr. Hinman, myself and Mr. Tanner were going to be the three partners in the equity, and this is strictly a verbal discussion between me and Mr. Tanner and Mr. Prowse acted as president of the company I think for a while, and to the best of my memory in discussing it with me this is the way it was supposed to be.

Q Now then, as at June, and the third item, the Lodgepole profit, the \$3,300.00 there, thirty-three hundred and thirty-three profit on the Lodgepole, as I understand it you were charging Hinman with that on the same basis, that there is three of you in it and you are looking to him to look after you, so to speak, is that right?

A Yes, right.

Q Now, then as at June 8th, 1966, you hadn't paid in cash the seventeen thousand commission from the Ogilvie sale, had you?

A No.

Q No. Why didn't you give credit on that statement for the seventeen thousand?

3-B-14

J. Superstein - Clement Ex.

A Well, in my personal records -

Q I am sorry, I should not be standing behind you.

A In my personal records you will find I kept track of it on that basis to some extent.

Q There is an Exhibit around, well, I am wondering whether you are referring to Exhibit 479, is this in your hand, Mr. Superstein?

A This is my handwriting, yes.

Q Yes?

A And you will notice that I thought that fifteen thousand would have been reasonable, but I didn't argue for the extra two thousand, and -

Q What I am getting at, you prepared this and did you deliver it to Hinman or is it just a personal record of your own?

A I think I just kept track of it personally.

Q All right, I see, so that within your mind back in January 10th, 1964 when all these transactions had been completed, there was an unpaid commission outstanding to Mr. Hinman of seventeen thousand on the sale: now, my question is, why did you not give that credit on June 8th, 1966?

A Well, first of all Mr. Hinman, Mr. Tanner suggested it should be twenty-five thousand, if you remember, there was never an exact settlement we could arrive at.

Q Well, I know, but at least you are prepared to concede fifteen thousand in 1964, why not show that on your, in your instructions which resulted in the letter to Mr. Hinman of 1966?

3-B-15

J. Superstein - Clement Ex.

A Well -

Q 1964 -

A Just let me, tell me what is in the back of my mind, sir, because you are asking me to explain it.

Q Yes?

A I had in mind to take this thing in three stages: one was to get this money that I put into these deals which were never accounted for by them officially. I was going to sue for that, which I did. At a later date, once I had settled the Airport Hotel, I didn't know whether the Credit Foncier was going to hold the whole total mortgage against me exactly, I didn't know how much they owed me for their interest, and in my mind it was never a question that these people were partners of mine.

Q You thought they were?

A There was never a question, never any doubt.

Q You were clear in your mind that they were your partners, is this what you mean?

A That is right; and then I was going to sue in two stages. I sued in one stage because I had these facts and figures. I couldn't sue on the other one because I didn't have the facts and figures.

Q You mean, that is the Lodgepole?

A And I mean what my total judgments came to, and how Credit Foncier would, how much they would accept or if they wanted a hundred percent; this is the way I was going into these matters. I pursued suing Mr. McCuaig and other people in

3-B-16
J. Superstein - Clement Ex.

A (Cont.) The Unconscionable Transactions Act and otherwise against my advice of Mr. Steer, my counsel.

Q Yes, your answer then to my question is that you just weren't going to show any credits at all at this stage, is that all that was in your mind?

A Well, I felt the amount that they owed me between all these deals was much greater than the seventeen thousand commission by Edmonton Produce, based on the judgments that were outstanding against me which was approximately \$400,000.00.

3-K-1

J. Superstein - Clement Ex.

Q I'm not going to try and rationalize the relationship between what you owed Credit Foncier and what Mr. Hinman and his associates might have owed you, it escapes me, but, in any event, while, my question merely was this: you make a demand for some nineteen thousand odd dollars in June of 1966, and in 1954 you had acknowledged, 1964 you had acknowledged that they had earned at least \$15,000.00 which was to be set off, now, why didn't you --

A I only acknowledged it for my own records, I never acknowledged it to them, this is my own personal records, not to them, I never gave them a statement.

Q How did this get in the hands of the commission then?

A How did it get to the commission?

Q Yes.

A Because there was a member by the name of Mr. O'Dwyer and other political parties that I don't want to go into in this commission, I don't think it's necessary.

Q They obtained some papers from you, is that what you are saying?

A They didn't obtain them from me, no, they took them.

Q There are certain papers which obviously must have come, the originals must be in your records or come from your records, you are saying you didn't furnish this directly?

A I have made my statement in that regard.

Q Now then, Mr. Superstein, perhaps there are one or two other points and then I will turn to the Airport Hotel. Do you

3-K-2

J. Superstein - Clement Ex.

Q (Cont.) have any knowledge or any part in the attempted dealings on the dredges which has been described in the inquiry here?

A Yes.

Q Can you tell us what part you had? --- were you in on the deal?

A In a general way was another one of these poor investments, that's the first thing I could say, that's a general statement, apart from the general statement, do you want me to enlarge on it?

Q Well ---

A To the best of my memory Mr. Hinman told me that there was a Dutchman, I don't remember his name, that had an option or could get an option on some dredges, and I didn't go into details. He needed some financing to go to Holland or something. I arranged ---

Q Well, I would like to come to the point I am interested in, fairly rapidly, Mr. Superstein, the end result you and others went on a note for \$52,000.00, as I understand it, is that right?

A That's right.

Q And that note, because the venture failed, that note became in arrears and the Canadian Imperial Bank of Commerce took some steps to try to collect it, wrote some letters at least?

A That's right.

3-K-3
J. Superstein - Clement Ex.

Q Is it now paid off?

A Yes.

Q Now, tell me this, Mr. Superstein, you knew that these dredges were not the property of the provincial government, you knew they belonged to Caland Ore Company, I believe?

A Well, I knew they weren't the property of the provincial government.

Q Why did you get into this at all?

A Well, I was, I was in so many transactions and I was going along with Mr. Hinman and ---

Q I know you have said he was a partner of yours along with Tanner, what was the set-up, were you -----

A Mr. Belzberg came along too.

Q We understand Mr. Belzberg took a ride, yes, but what I am coming to is this, Mr. Superstein, you are in partners, you say with Mr. Hinman who is, was then the Provincial Treasurer, was that a factor in your thinking when you decided to link up with him in all these ventures?

A No, had no bearing.

Q Well, he was no expert on dredges, was he? Why would you be associating with him? You had, I would judge, considerably more business experience than he had at that stage. You must have had very wide business experience to have succeeded in a rather difficult business?

A As it turned out, I wish I had used my own judgment in a lot of these things, yes.

3-K-4

J. Superstein - Clement Ex.

Q But your judgment was, was yours at that time and his was his, and what value did you think you were getting out of an association with Mr. Hinman who happened to be Provincial Treasurer at that time?

A I wasn't getting any value, he was a good friend of mine and if we could go into --- I also knew that he had sold some land with Mr. Tanner to Mr. Belzberg called Marsh Farm and I knew he was dealing ---

Q Marsh Farm?

A Marsh Farm, it doesn't really matter, it's just a name.

Q Was this some of Mr. Hinman's holdings in the south which he has described?

A No, this is in North Edmonton, and so I was very proud of Mr. Hinman's association with me and I went along, hoping it would be profitable.

Q It looks to me that in the end result you barely broke even, Mr. Superstein?

A Oh, no, I lost.

Q Well then, you lost money by putting money into ventures in which Mr. Hinman was interested and which he spoke to you about and suggested you come in, is that what you are telling us?

A Yes, and he meant well, I think.

Q Well, I am sure he did, we just want to find out the basis on which these things were done. Did you have any dealings

3-K-5

J. Superstein - Clement Ex.

Q (Cont.) with Mr. Hinman in particular about Albertawest? I'm not sure whether I asked you this before, I asked you in connection with, I think perhaps I asked you in connection with selling shares to Hanen. Did you have any dealings with Mr. Hinman at all about Albertawest or obtain any advice, information or instructions from him? Were you in partnership with him in that venture?

A I wasn't in partnership, no, Mr. Hinman, I don't know, again I don't want to be pinned down to time or exact words, but Mr. Hinman told me about, that, he was, of course, always interested in the development of the natural resources of this province, and I have been a great believer of that, and suggested that this new company, private company had been organized to develop a pulp mill in the neighborhood of Whitecourt, I think, and these, some of these shares were available.

Q Who gave you this word, who told you about this?

A Mr. Hinman.

Q Mr. Hinman. Go ahead.

A He told me if I wished to buy some shares, I could. Mr. Wright came to my home, I had a talk to him and I had a talk to a few of my friends based on what Mr. Hinman told me. To verify what Mr. Hinman told me, I took some of these friends down to the Legislature Building and we had a chat.

Q With whom?

A With Mr. Hinman, and we proceeded to buy a block of stock.

3-K-6
J. Superstein - Clement Ex.

Q What did Mr. Hinman say during the course of this chat with you and your associates?

A He thought it would be in the long run, it would turn out to be a good investment.

Q Did he appear to have any personal interest in the company at that time?

A Not to my knowledge.

Q Not to your knowledge. Why was it that you were down taking his opinion on the matter?

A Well, it isn't that I was taking his opinion, he brought it up.

Q Yes, but you went back to confirm it, and so on, he did give you an opinion in the first instance, did he?

A Well, he brought it up, so I merely followed it up by trying to get little more detail before I committed myself, which is quite usual.

Q I would think so. So in the result of that discussion you bought shares?

A Myself and a syndicate bought a block of stock, yes.

Q Yes.

A And Mr. Hinman's recommendation was not entirely wrong if it would have been, in my opinion, handled on a certain basis because at a later date myself and Mr. Hanen committed for two million, two and a half million dollars worth under certain terms and arrangements, under certain agreement, so we thought that Mr. Hinman's recommendation was perfectly

3-K-7
J. Superstein - Clement Ex.

A (Cont.) going to work out.

Q That was before the MacMillan Bloedel interests came in, was it?

A Yes, quite a bit before, I had Mr., I had, Mr. Hinman flew to Toronto, we met Mr. Gardiner, Gardiner & Company.

Q Well now, that name has cropped up before, was the Gardiner & Company financing, the result, attempt to finance, was that the result of you and Mr. Hanen putting forth your proposals to acquire two million dollars worth of stock?

A Well, they weren't the only ones looking at it, there was Sun Life Insurance and it looked very promising.

Q Yes. What part was Mr. Hinman playing in the matter at this stage, any, was he interested in the --

A If I remember correctly, and I stand to be corrected on that, but I think Mr. Hinman and myself were in Toronto at the same time. Whether I went with him or not I don't know.

Q Were you there on the same business?

A I wouldn't, I couldn't say that, I think I would be there on turkey business and talking to head office for Edmonton Produce.

Q Yes, I thought you said that you were down there, when you were down there you talked to Gardiner?

A Yes, we met Mr. Gardiner and Mr. --- another gentleman.

Q And did Mr. Hinman accompany you?

A Well, I would have to check out, I would have to check that out, but I am satisfied we were both there in Toronto

3-K-8

J. Superstein - Clement Ex.
- Hill Ex.

A (Cont.) together. Whether we met or whether we went together, I don't remember.

Q All I am interested in, did you join forces to do a little business together, Mr. Superstein?

A Well, it usually worked out we talked business.

Q Did you by any chance talk business, the two of you with Gardiner & Company?

A I don't remember whether I walked in with him or whether I walked in alone to see Gardiner & Company.

Q Did Mr. Hinman at this stage show some interest in acquiring a piece of the deal?

A Not to my knowledge.

Q Not to your knowledge. Just friendly assistance if he could afford it?

A He was interested in --- in having the development of natural resources a great deal, this was one of his interests.

Q This is your fair statement of the situation, he was interested in development of natural resources?

A Yes.

MR. CLEMENT: I think, sir, that there is only one topic left that I have in mind, the Airport Hotel which is rather separate and in itself.

THE COMMISSIONER: I think probably we will have cross-examination on this topic before we proceed with the other one. Mr. Hill?

MR. HILL EXAMINES WITNESS:

Q Mr. Superstein, going back to this meeting on March 10th of
SUPREME COURT REPORTERS
EDMONTON, ALBERTA

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J. Superstein - Hill Ex.

Q (Cont.) 1967, I believe you said that you were in attendance, Mr. Tanner was there and Mr. Hinman was there; now, what was the purpose of having this meeting?

A Well, as you know, I threatened to sue Mr. Hinman by an exhibit that you had dealt with during this court procedure, and, of course, I did sue him. I was under great pressure with all these judgments.

Q Well ----

A And I at that time got together with Credit Foncier discussing settlement. I wanted to forget about the past and bring it to a head. I gave, I felt I gave these, I felt I should give these gentlemen an opportunity to settle these matters. We met face to face, we discussed it; we took all these differences of opinion which existed and put it down on a piece of paper. I want it very clearly understood in this commission that there was no question in my mind that they were partners of mine in the hotel. In making the settlement it spelled out, and my counsel has a copy of it, that the Airport Hotel was part of the settlement, and we arrived at a settlement including the commission of the Edmonton Produce.

Q Yes.

A And we parted as friends.

Q So that if I could just summarize what was involved in this discussion, the outstanding matters that were between you and Mr. Tanner and Mr. Hinman, there were ---

3-K-10
J. Superstein - Hill Ex.

A I can spell them out for you. My counsel has a copy of the agreement which would make it easier, but if you want me to, I can spell it out.

Q Well, I gather there is a written agreement incorporating a settlement, is that correct?

A That is right, March 10th, 1967.

Q And do you have a copy of that, Mr. Superstein?

A My counsel, I think, has.

Q Are you willing to produce it at this time?

A I have no objection subject to my counsel's approval.

MR. STEER: No reason why it shouldn't be produced. It doesn't add anything at all to the statement that was made.

MR. HILL: Perhaps I could examine on one other matter, sir, that I only have one other question on while my learned friend is looking for that?

THE COMMISSIONER: Yes.

Q MR. HILL: Mr. Superstein, in relation to the dredge deal, what we have called the dredge transaction, you have already told us about the part that you played in this and the part that Mr. Hinman played. Now, did the interest that Mr. Hinman have in this transaction, was that in any way related to the fact that he was a Cabinet Minister, or was it strictly done as a private business deal with himself as a businessman?

A All my transactions with Mr. Hinman was strictly as a

3-K-11
J. Superstein - Hill Ex.

A (Cont.) private investment and private businessman, it didn't matter to me.

Q Now, did he specifically with this dredge deal, did Mr. Hinman in any way use his office as a Minister of the Crown to advance this transaction, the dredge deal?

A No.

Q The memorandum that you referred to is dated March 10th, 1967 and purports to be signed by E. W. Hinman, Mr. Tanner and yourself, this is the agreement that you have referred to?

A Yes.

MR. HILL: Might that be marked, sir?

THE COMMISSIONER: Exhibit 533.

MEMORANDUM DATED MARCH 10th, 1967,
BETWEEN MR. HINMAN, MR. TANNER AND
MR. SUPERSTEIN ENTERED AND MARKED
EXHIBIT 533.

MR. CLEMENT: Perhaps, sir, that should go in on the usual footing, that the Court Reporters will make a photocopy ---

THE COMMISSIONER: Will make a Xerox copy and return the original to Mr. Steer.

MR. HILL: I would like to have a look at that exhibit, sir.

Q MR. HILL: As a result of the settlement that you have referred to that is incorporated in this agreement, did any money change hands between yourself and Mr. Hinman?--

3-K-12
J. Superstein - Hill Ex.

Q (Cont.) would you like to refer to the agreement?

A I think the agreement reads that Mr., I think that Mr. Tanner--

MR. STEER: That's what the agreement says.

A How they split it between them, I don't know and I don't care.

Q To your knowledge was any money paid to you by Mr. Hinman in relation to this settlement agreement?

A I don't know how they, I got a cheque from Mr. Tanner for twenty-five hundred and I got a note which was just paid lately.

Q The settlement agreement refers to the sum of \$5,000.00 to be paid to you by Mr. Tanner, no mention is made of Mr. Hinman in here?

A Well, if Mr. Hinman agreed, was at the meeting and agreed to these settlement, to the settlement ---

Q Well, was Mr. Hinman, was there any discussion to the effect that Mr. Hinman was to contribute part of the \$5,000.00?

A I don't know how they split it between them, I don't know.

Q But was there any discussion about that at this meeting?

A I wouldn't remember the exact discussion, just how they were going to handle it between themselves, I wouldn't remember that.

Q Did you in fact receive \$5,000.00?

A Yes, it has been paid.

Q And who did that come from?

A I think Mr. Tanner.

3-K-13

J. Superstein - Hill Ex.
- Bowen Ex.

Q Do you recall whether it was his personal cheque?

A Only \$2,500.00 originally paid and the other was to be paid at a later date and it has been paid, I think.

Q What about the money that was paid at a later date, was that also paid by Mr. Tanner?

A Yes, it went through the bank and I didn't check it, it has only been paid lately.

Q So to your knowledge no money was paid directly by Mr. Hinman to yourself?

A Not to my knowledge.

Q In relation to this settlement? Thank you.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN EXAMINES WITNESS:

Q When you say, Mr. Superstein, that there was never any doubt that these people were partners of mine, do you recall saying that this morning? Who do you mean by these people?

MR. STEER: With respect to what transaction?

MR. BOWEN: Those were the words he used when he jumped ahead with regard to the Airport Hotel, I believe, Mr. Steer.

A In regards to the Airport Hotel transaction?

Q MR. BOWEN: Well, I am asking you, sir, what you meant by that?

A I meant that they were, there was no question in my mind that they were partners of mine in the Airport Hotel.

Q All right, who were the people you were referring to?

3-K-14
J. Superstein - Bowen Ex.

A Mr. Hinman, Mr. Tanner and Mr. Arnold.

Q And was it --

A And Trebeurden Real Estate.

Q And is it your contention today that they should have shared in the losses?

A Yes.

Q So on that basis you indicated that Mr. Hinman in effect owed money to you, you having paid out the settlement, is that right?

A Yes.

Q And have you asked him for this money?

A We have settled.

Q And he paid nothing towards the settlement, to your knowledge?

A Part of the agreement.

Q He paid nothing towards the settlement, to your knowledge, in money, cheque, cash?

A Well, let me, I have hypothecated, the note was discounted at the bank and whether Mr. Tanner paid it all or Mr. Hinman paid part of it, I don't know.

MR. BOWEN: I suppose, sir, the Airport Hotel will come, I better leave it alone.

THE COMMISSIONER: Yes, we are going, that's the next topic, I believe.

MR. BOWEN: He did mention it, though, in passing.

Q MR. BOWEN: Now, you mentioned, sir, that in

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J. Superstein - Bowen Ex.

Q (Cont.) July 27th, 1962, a cheque was deposited to Mr. Hinman's account by Mr. Tanner; you had given that cheque to Mr. Tanner for \$5,000.00, correct? --- is that correct?

A Yes, I gave it to Mr. Tanner.

Q And that was drawn on your personal account, was it?

A I have been trying to locate that cheque, but I think it was on my personal account.

Q Yes, you referred this morning also just recently to personal records, do you have personal records in which this \$5,000.00 loan is noted?

A Well, some of my personal records.

Q That's some of them?

A Exhibit 479.

Q Do you have other personal records dealing with this particular \$5,000.00 which you say you loaned to Mr. Hinman in July of 1962?

A I wish you would be more specific?

Q All right, do you have a ledger, do you have a notebook, do you have anything that says I loaned this to Mr. Hinman?

A I think I could satisfy the commission by going to my auditors and getting the facts.

Q I'm not interested in your auditor's appreciation of this, Mr. Superstein, you did refer to personal records this morning. Do you know whether this \$5,000.00 was indicated in those personal records and what it was designated as?

A You are, I have referred to you my scribbling personal records,

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J. Superstein - Bowen Ex.

A (Cont.) if that's what you want to know, and if any other details are required, I would have to go to the auditor and get any records that he has.

Q Your auditor then, you say would have records showing the designation of this disposition of \$5,000.00?

A I am sure.

Q Could you produce those, please?

A Yes, I would be glad to.

MR. BOWEN: Is that in order, Mr. Commissioner?

THE COMMISSIONER: Yes.

Q MR. BOWEN: Now, your memory of this conversation that you had with Mr. Hinman in 1962, I noted was exceedingly detailed, Mr. Superstein, you indicated that you had, you don't know whether it was by phone or directly person to person, but you had phoned him and heard about this sickness or this death in the family, right? -- is that correct?

A I would like you to repeat that question because I think I have answered that question, but I would like you to repeat that question which you are asking.

MR. BOWEN: Would you read it back, please, Mr. Reporter?

THE REPORTER: (By reading)

"Q Now, your memory of this conversation that you had with Mr. Hinman in 1962, I noted was exceedingly detailed, Mr. Superstein, you indicated that you had,

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J. Superstein - Bowen Ex.

THE REPORTER: (Cont.) " you don't know whether it was by phone or directly person to person, but you had phoned him and heard about this sickness or this death in the family, right? -- is that correct?"

A Well, again I don't remember who phoned who or whether I came up to visit him or he came down to my office, I don't know.

Q That was about the only thing you didn't remember about this particular incident, now, how about the rest of it? Your memory was exceedingly vivid on it, sir, is it still vivid?

A Well, I don't follow your question?

Q Obviously, sir, you don't.

MR. BOWEN: Perhaps, I am more or less on a new tact here, my Lord, I wonder perhaps if this might be a good place to adjourn?

THE COMMISSIONER: Yes, we will adjourn until tomorrow morning at nine o'clock.

MR. BOWEN: Thank you, sir.

(At this point the commission stood adjourned until 9:00 a.m., Thursday, May 30th, A.D.1968.)

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